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SAN FRANCISCO PORT COMMISSION

SPECIAL MEETING
3:30 P.M., TUESDAY, FEBRUARY 8, 2000
Suite 3100, Ferry Building, S.F. CA 94111

DOCUMENTS DEPT.

FEB 0 4 2000

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AGENDA

1. **ROLL CALL**

2. **NEW BUSINESS / PUBLIC COMMENT**

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3. **EXECUTIVE SESSION**

   A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

   B. CLOSED SESSION

      (1) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTER:

         a. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (one case).
         ___ As Defendant _X_ As Plaintiff

4. **RECONVENE IN OPEN SESSION**

   A. Possible report on actions taken in closed session pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

   B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

5. **ADJOURNMENT**

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ACCESSIBLE MEETING INFORMATION

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Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, please contact Rachel Arnstine O'Hara, Clerk of the Sunshine Ordinance Task Force at 554-6171; fax 554-6177, City Hall, Room 362, One Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683. Her e-mail address is Rachel_ArnstineO'Hara@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Ordinance Task Force, the San Francisco Public Library and on the City's Website at www.ci.sf.ca.us.

San Francisco Lobbyist Ordinance

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SAN FRANCISCO
PORT COMMISSION

FEBRUARY 8, 2000
MINUTES OF THE SPECIAL MEETING

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MEMBERS, PORT COMMISSION

HON. KIMBERLY BRANDON, PRESIDENT
HON. BRIAN McWILLIAMS, VICE PRESIDENT
HON. DENISE McCARTHY
HON. MICHAEL HARDEMAN
HON. PIUS LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE SPECIAL MEETING
3:30 P.M., TUESDAY, FEBRUARY 8, 2000

1. ROLL CALL

Commission Vice President Brian McWilliams called the meeting to order at 3:40 p.m. The following Commissioners were present: Brian McWilliams, Denise McCarthy, Michael Hardeman and Pius Lee. Commission President Kimberly Brandon was not present.

2. NEW BUSINESS / PUBLIC COMMENT

Eric Haeslop, Turnbull, Griffin & Haeslop Architects, commented about the proposed Pier 1½ -5 RFP. Since their firm has been a Port tenant at Pier 1½ for approximately 30 years, Mr. Haeslop asked the Commission to give them adequate time to make their business plans and not be evicted prematurely. He asked the Commission to include them into the mix of things so that everyone can benefit.

3. EXECUTIVE SESSION

ACTION: Commissioner McCarthy moved approval to convene in Executive Session; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

At 3:45 p.m., the Commission withdrew to executive session to discuss the following:

A. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTER:

a. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (one case).
___ As Defendant _X_ As Plaintiff

4. RECONVENE IN OPEN SESSION

At 4:20 p.m., the Commission returned from executive session and convened in open session.

ACTION: Commissioner Hardeman moved approval to not disclose any information discussed in executive session. Commissioner McCarthy seconded the motion. All of the Commissioners were in favor.

5. ADJOURNMENT

The special meeting was adjourned at 4:20 p.m.

SAN FRANCISCO
PORT COMMISSION

REGULAR MEETING
4:00 P.M., TUESDAY, FEBRUARY 8, 2000
Suite 3100, Ferry Building, S.F. CA 94111

AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - January 25, 2000 Regular Meeting

3. **EXECUTIVE**

   A. Executive Director's Report

4. **CONSENT CALENDAR**

5. **MARITIME**

   A. Approval of a 30-year lease and a 30-year operating agreement with Big C Traders, Inc. at the Pier 19-23 Bulkhead Building. (The Embarcadero at Filbert Street). (Resolution No. 00-11) (Staff report provided to Commission.)

6. **REAL ESTATE**

7. **FACILITIES & OPERATIONS**

   A. Resolution authorizing the Port of San Francisco to comply with the California Transportation Commission's Environmental and Administrative Requirements for the Downtown Ferry Terminal Project. (Resolution No. 00-12) (Staff report provided to Commission.)

8. **PLANNING & DEVELOPMENT**

   A. Informational Presentation by Development Teams submitting proposals for the Pier 45 Shed A San Francisco Bay / Maritime Oriented Public Attraction Project at Fisherman's Wharf. (Staff report provided to Commission.)

   B. Approval of the Resolution Urging the San Francisco Bay Conservation and Development Commission (BCDC) to Support Legislation to Affirm Any BCDC Action on a Bay Plan Amendment. (Resolution No. 00-13) (Staff report provided to Commission.)

C. Authorization to Issue a Request for Proposals for the Piers 1½ -5 Mixed Use Preservation Project Development Opportunity. (Resolution No. 00-07) (Staff report provided to Commission.)

D. Informational Report on Southern Waterfront Activities.

9. FINANCE & ADMINISTRATION

10. NEW BUSINESS / PUBLIC COMMENT

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11. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Pier 24-½ (Pier 24 Annex)
Person Negotiating: Port of San Francisco: Paul Osmundson, Director Planning and Development
*Metropolis Partners, Inc. & Polatnick Properties: David A. Agger & David Polatnick

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations between the Port and Metropolis Partners, Inc. & Polatnick Properties regarding Port property located at Pier 24-½ (Pier 24 Annex).

b. Property: Pier 45 Shed A
Person Negotiating: Port of San Francisco: Paul Osmundson, Director of Planning and Development.

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss responses received for the Pier 45 Shed A RFP.

c. Property: Southern Waterfront
Person Negotiating: Port of San Francisco: Paul Osmundson, Director Planning and Development
*RMC Lonestar @ Pier 80: Harry Peppart

*ISG Resources, Inc. @ Pier 90: Mark Langowski
*Bode Gravel/Mission Valley Rock @ Pier 92: Dan Boardman
*British Pacific Aggregates, Corp. @ Pier 94/96: John Chambers
*Waste Management, Inc. @ Pier 70: Jack Isola
*Grosvenor Bus Lines, Inc. @ Pier 94/96: Ken Marciano

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations with the above-mentioned Southern Waterfront tenants.

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTER:

a. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (one case).
___ As Defendant _X_ As Plaintiff

12. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

13. ADJOURNMENT

Staff Reports: Explanatory Documents available to the public can be reviewed and copied at the Ferry Building, Suite 3100 or by contacting the Port Receptionist at 415-274-0400.

FEBRUARY/MARCH 2000
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
Feb. 8	4:00 p.m.	Port Commission	Port Commission Room Ferry Building
Feb. 14 *(Cancelled)*	5:30 p.m.	Southern Waterfront Advisory Group	Port Commission Room Ferry Building
Feb. 15	9:00 a.m.	Fisherman's Wharf Waterfront Adv. Group	Scoma's Restaurant Pier 47
Feb. 15	5:30 p.m.	Southern Waterfront Advisory Group	Port Commission Room Ferry Building
Feb. 22	4:00 p.m.	Port Commission	Port Commission Room Ferry Building
Feb. 29	4:00 p.m.	Joint Redevelopment Agency/ Port Commission Hearing	Bd. of Supervisors Mtg.Rm. Room 250, City Hall
March 1	4:00 p.m.	BCDC/Port Commission Committee Meeting	Port Commission Room Ferry Building
March 2	3:00 p.m.	Maritime Advisory Committee	Port Commission Room Ferry Building
March 14	4:00 p.m.	Port Commission	Port Commission Room Ferry Building
March 28	4:00 p.m.	Port Commission	Port Commission Room Ferry Building

NOTES:

The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m. Contact Amy Quesada at 274-0406 to be placed on the mailing list for Commission meeting agenda.

The Fisherman's Wharf Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47, Fisherman's Wharf.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Port Commission Room, Ferry Building.

The Southern Waterfront Advisory Group meets regularly on the 2nd Monday of the month at 5:30 p.m. in the Port Commission Room, Ferry Building.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Amy Neches, Redevelopment Agency at 749-2450 for more information.

Port Website

Check out the Port's Website at **www.sfport.com**

Questions/Contacts

Pier 45 Advisory Group	Kirk Bennett	274-0545
Northeast Waterfront Advisory Group	Kirk Bennett	274-0545
Ferry Building Waterfront Advisory Group	Alec Bash	274-0539
Bryant Street Pier Advisory Group	Anne Cook	274-0483
Southeast Waterfront Advisory Committee	Braj Norris	274-0540
Port of San Francisco Reception	Liz Fitzgerald	274-0400

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PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

February 1, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Resolution Authorizing the Port of San Francisco to comply with the California Transportation Commission's Environmental and Administrative Requirements for the Downtown Ferry Terminal Project. (Resolution No. 00-12)

DIRECTOR'S RECOMMENDATION: APPROVE RESOLUTION

BACKGROUND

The California Transportation (CTC) awarded the Port of San Francisco $7.5 million for the Downtown Ferry Terminal Project. In Port Commission Resolution No. 97-16, the Commission approved administrative and indemnification provisions required by the CTC to allow the Port to execute the grant documents. The indemnification provisions in this resolution and the grant document, "Fund Transfer Agreement" have been reviewed and approved by the City Attorney's office and the City's Risk Manager.

CALTRANS' is in the process of executing the "Fund Transfer Agreement" and is requesting formal Port Commission action with statements that were not clearly specified in Resolution No. 97-16. This resolution does not change or increase the Port's responsibilities or liability with regards to the Downtown Ferry Terminal Project. The new resolution merely provides CALTRANS with the assurances they need in more specific language and form.

Prepared by: Veronica Sanchez, Manager, Governmental Affairs Office

This Print Covers Calendar Item No. 7A

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-12

WHEREAS, In Resolution No. 97-16, the San Francisco Port Commission provided the California Transportation Commission (CTC) with assurances related to the administrative authority of the San Francisco Port Commission to accept and expend grant funds for the Downtown Ferry Terminal; and

WHEREAS, Resolution No. 97-16 also provided assurances to the State of California regarding the Port's responsibility to investigate and clean up hazardous material and indemnify the State of California for future clean-up liability or damages; and

WHEREAS, The indemnification provisions in the CTC's grant document, "Fund Transfer Agreement", have been reviewed and approved by the City's Risk Manager and the City Attorney's Office; and

WHEREAS, The California Department of Transportation requests the Port Commission to provide statements which more specifically address the State's indemnification and administrative requirements; now therefore be it

RESOLVED, That the San Francisco Port Commission does hereby indicate to the CTC the following:

(1) The Downtown Ferry Terminal Project has been fully investigated to determine the absence/presence of hazardous materials.
(2) The Port Commission shall conform to any and all environmental obligations established in CTC Resolution G-91-2 and in the Agreement at the expense of the Port of San Francisco or other responsible party.
(3) The Port Commission agrees to protect, defend and indemnify the CTC and California Department of Transportation against any liability, cost, claim or expense and agrees to make no demand, claim or request upon the CTC or the California Department of Transportation for additional State funding to address the remediation of hazardous materials discovered as a consequence of project work.
(4) The Port Commission authorizes the Executive Director to sign agreements or provide any further assurances to the CTC regarding the Downtown Ferry Terminal Project.

I hereby certify that the San Francisco Port Commission at its meeting of February 8, 2000 adopted the foregoing resolution.

_____
Secretary

PORT OF SAN FRANCISCO

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Fax 415 274 0528
www.sfport.com

MEMORANDUM

February 8, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational presentation on the proposals submitted in response to the Request for Proposals to develop and operate a San Francisco Bay / Maritime Oriented Public Attraction in Pier 45 Shed A at Fisherman's Wharf

DIRECTOR'S RECOMMENDATION: FOR INFORMATION ONLY; NO ACTION REQUIRED

This staff report provides information on the following two proposals submitted in response to the Request for Proposals to develop and operate a San Francisco Bay / Maritime Oriented Public Attraction in Pier 45 Shed A at Fisherman's Wharf ("RFP"):

- **The Bay Center Coalition (with the San Francisco Foundation Community Initiative Funds, as fiscal sponsor) – *The Bay Center***

- **San Francisco at the Wharf, LLC (with The Malrite Company, LP, as its sole 100% member) – *San Francisco at the Wharf***

This report presents the information in alphabetical order of the developers; the order of presentation does not reflect relative ranking of the proposals.

This Print Covers Calendar Item 8A

BACKGROUND

In January 1996, Port staff formed the Pier 45 Advisory Group made up of representatives of various constituencies comprising the Fisherman's Wharf community. This advisory group was formed to discuss and resolve operational issues concerning Pier 45 and to provide input and guidance on the long-term uses of Sheds A and C of Pier 45. On October 14, 1997, the Port

Commission, by Resolution No. 97-83 adopted guidelines recommended by the Pier 45 Advisory Group regarding long-term uses for Pier 45 Sheds A and C, which included that: "Shed A [is] to be reserved primarily for public attraction uses that are compatible with the fishing industry and with the Fisherman's Wharf area, and include a significant maritime component."

In November 1998, Port staff reconvened the Pier 45 Advisory Group to provide input and guidance on the development concept to be included in the RFP for Pier 45 Shed A. On June 29, 1999 the Port Commission approved Resolution No. 99-45 adopting a development concept substantially in conformance with the recommendations of the Pier 45 Advisory Group. The RFP, which was published on August 25, 1999, set January 25, 2000 as the deadline for proposals.

The Opportunity

The RFP states that:

> "The Port is now seeking a qualified for-profit or non-profit entity ("developer") to lease from the Port the existing 71,133 sq. ft. Shed A of Pier 45, and to develop and operate in Shed A a public attraction, consisting of assembly, entertainment, and museum uses...Other ancillary uses would be permitted, including restaurant and retail uses, but restaurant uses would be limited to a maximum of 5,000 sq. ft. of gross leaseable area and retail uses would be limited to a maximum of 16,000 sq. ft. of gross leaseable area."

Development Goals

The RFP further states that:

> "The primary goal of the Port for this project is the creation of public attraction uses in Shed A which: (1) have a quality educational/ learning/interpretative focus; (2) are strong enough to significantly enhance the image of Fisherman's Wharf; and (3) support the long-term future of the fishing industry. These public attraction uses must meet the following audience goals: (1) draw new audiences and local visitors to Fisherman's Wharf; (2) be of a quality that attracts repeated visits; (3) generate an off-season (November – April) draw; (4) be family-oriented; and (5) be affordable. The public attraction uses must incorporate San Francisco Bay-oriented and maritime-oriented themes, and should also incorporate as many as possible of the following themes: (1) ecosystem of San Francisco Bay / California; (2) environment; (3) heritage of San Francisco Bay; (4) heritage of Fisherman's Wharf / Aquatic Park; and (5) environmental and historic preservation."

The RFP also indicates specific Planning, Financial and Design Objectives, Use Restrictions, as well as Key Lease Terms, and General Terms and Conditions.

Selection Criteria

The RFP states that:

> "The Port is seeking a development that meets all of the Port's Development Goals and Objectives set forth in [the RFP]. However, the Port's paramount criterion in selecting a developer for exclusive negotiations is the demonstrated ability and intent to achieve the Development Goals stated above regarding the creation of public attraction uses. The relative importance of criteria for selecting a developer are indicated below in descending order...:"
>
> 1. Achievement of Development Goals.
> 2. Experience and Financial Capacity.
> 3. Achievement of Planning Objectives.
> 4. Achievement of Financial Objectives.
> 5. Achievement of Design Objectives.
> 6. Other factors as appropriate.

SUMMARY OF PROPOSALS

On January 25, 2000, two proposals were received by the RFP deadline. These are summarized below.

Developers / Development Entities

The Bay Center	*San Francisco at the Wharf*
The Bay Center Coalition, to be established as a 501(c)(3) non-profit organization. San Francisco Foundation Community Initiative Funds, fiscal sponsor Acting Chair: Christopher Martin	San Francisco at the Wharf LLC, a State of Delaware Limited Liability Company The Malrite Company, LP, as the sole, 100% member of the LLC Chairman and CEO: Milton Maltz

Development Teams

	The Bay Center	*San Francisco at the Wharf*
Development Manager:	Tom Sargent, John Clawson, and Ben Golvin, Equity Community Builders, LLC	Dennis Barrie, San Francisco at the Wharf LLC

	The Bay Center	*San Francisco at the Wharf*
Operator:	The Bay Center Coalition Executive Director, reporting to 12-member Board of Governors	Petr Spurney, San Francisco at the Wharf LLC
Economic Development:	Clive Jones, Economic Research Associates	Michael Devine and Petr Spurney Jr., San Francisco at the Wharf LLC
Public Relations:		Don Solem, Solem & Associates
Community Relations:		Alfred Williams, Alfred Williams Consultancy
Food & Beverage:		Kevin Westlye
Architecture:	Denis Henmi and Jeff Stahl, Kwan-Henmi Architects	Jeffrey Heller, Heller Manus Architects
Historic Architect:	Barbara Judy / Christina Wallace	Bruce Judd, Architectural Resources Group
Landscape Architect:	Lawrence Halprin	
Structural Engineer:	Harold Davis and Alan H. Kren, Rutherford & Chekene	Mehri Ansari, Ansari Structural Engineers, Inc.
Exhibit Design:	Dean Weldon and Wendelin Montciel, Academy Studios	Kathleen Coakley and Dr. Jeffrey Grove, San Francisco at the Wharf LLC
Exhibit Fabrication:	Dean Weldon and Wendelin Montciel, Academy Studios	
Public Artist:	Ned Kahn, Ned Kahn Studios	
Design Development:	Harold Davis and Alan H. Kren, Rutherford & Chekene	Partrick Gallagher, Gallagher & Associates
Retail Design:		Paul Lechleiter, FRCH Design Worldwide
Food & Beverage Design:		Ron Lieberman, Design Development
Transportation Planning:		Ron Foster, Wilbur Smith Associates
Environmental Planning:	Lawrence Halprin	Karl Heisler, Environmental Science Associates
Construction/ General Contractor:	David P. Parkes and Micheal D. Lipton, McCarthy Building Companies, Northern California Division	Larry Nibbi, Nibbi Brothers
Legal:	John Sanger and Jay Wallace, Sanger & Olson	Jim Reuben, Reuben & Alters

	The Bay Center	*San Francisco at the Wharf*
Financial Underwriter:	Tom Lockard and Dirk ten Grotenhuis, Stone & Youngberg LLC	
Fund Raising:	Fred Auda and Claudia Bluestein Cohan	
Technical Advisors:	Donna Pozzi, California State Parks, Dept. of Parks and Recreation Jerry Aspland. California Maritime Academy, California State University Michael Carlin, Bureau of System Planning, Environment and Compliance, San Francisco PUC Scott Hill, Chief Deputy Superintendent of Public Instruction, California Dept. of Education Marsha Trouton, San Francisco Unified School District Environmental Center Francesca Vietor, San Francisco Dept. of the Environment Nunzio Alioto, Alioto Fish Company Tom Creeden, Scoma's Restaurant Holly Krassner, The Cannery Christopher Martin, The Cannery	California Academy of Sciences

Development Concept

	The Bay Center	*San Francisco at the Wharf*
Project Concept *:	"The Bay Center will be a state-of-the-art learning and interpretative resource center dedicated to providing people with a better understanding of San Francisco Bay as a sustainable, precious, and magnificent resource.	"San Francisco at the Wharf…will be a multi-faceted experience, where every detail is designed to celebrate San Francisco's colorful past, spirited rebirth and renewal, and unparalleled diversity of landscape, population and

	The Bay Center	*San Francisco at the Wharf*
	Educational programming will take advantage of interactive media and allow the public to participate in virtual tours, providing a learning experience for people of all walks-of-life, ages and disciplines. "Specific programs and exhibits offered in these facilities will appeal to drop-in visitors and to local school groups. Although some static museum presentations will be included, emphasis will be placed on hands-on visitor participation and learning experiences. The Bay Area's wealth of creative talent will be tapped to develop interesting, engaging and interactive exhibits. The Bay Center will be an arena for the public, the users, regulatory agents and researchers to interact and have relevant discourse on the future of San Francisco Bay. "The Bay Center will create a venue for coalescing local, state and federal agencies in research and environmental impacts of the Delta and San Francisco Bay. Formal and informal education programs will be offered including lecture series, seminars, classes, interpretive programs, volunteer programs, school programs, and adult programs."	ideas... "San Francisco at the Wharf will be the creation of the nation's top designers and museum/attraction/entertainment specialists, working with leading historians on San Francisco's maritime and general history. It will, in fact, provide what today's consumers are looking for: a reality based, interactive, immersive and enriching encounter that is backed by a compelling and historically accurate story. This will provide visitors with a quality educational experience, and at the same time be highly entertaining. "Shed A will be home to a unique, museum-quality adventure that will create fun and excitement for its guests. This unrivaled site will combine a ticketed attraction, a non-profit museum, a comprehensive visitor services center, and attendant and appropriate retail and food and beverage offerings into one spectacular experience - all designed, built and operated around the San Francisco at the Wharf theme."
* Quotes excerpted from Project Concept presented in proposal.		
Development Program:	83,000 sq. ft., including mezzanine	71,133 sq. ft.
Educational/ /Interpretive Uses (including Assembly and Entertainment Uses and Museum Uses)	52,000 sq. ft., including: 37,000 sq. ft. exhibit hall; a temporary exhibit hall; an auditorium; and Embarcadero Hall, which creates a public way through Shed A, connecting the bulkhead to the	

	The Bay Center	*San Francisco at the Wharf*
	apron. 6,000 sq. ft. of discovery labs and class rooms. 3,000 sq. ft. information Resource Center at front of shed A water / art media wall extending through the Bay Center.	
Assembly and Entertainment Uses:	(Indicated above)	22,000 sq. ft. Embarcadero Way, a themed indoor streetscape creating a pubic way that extends most of the length of Shed A connecting the uses within Shed A and connecting the bulkhead to the apron. 21,000 sq. ft. The San Francisco Experience ticketed attraction
Museum Use:	(Indicated above)	2,000 sq. ft. State of the Bay Experience with curatorial oversight by California Academy of Sciences.
Visitor Services:	Resource Center (indicated above) of displays regarding Greater Bay Area recreational and educational activities, including Bay trails, accessible wetlands, beaches, interpretive centers, aquariums, learning facilities, and regional, state and federal parks.	Outdoor visitor services kiosk and indoor visitor services area, with ticketing for popular area attractions including Red & White Fleet.
Retail:	7,100 sq. ft., in 3 areas, including a Bay Center Store, a corporate sponsor store, and an environmental-oriented general retail store.	Retail stores not to exceed 16,000 square feet, including San Francisco Marketplace with stores distinctive to San Francisco and ticketed Themed Adventures with merchandise components.
Restaurant:	4,000 square foot "culinary academy" cooking school/restaurant with demonstration kitchen, and 2 snack bars totaling 1,000 sq. ft.	Restaurant uses not to exceed 5,000 square feet, including a casual dining restaurant, and a wine tasting room.
U.S.S. Pampanito:	2,000 sq. ft. of support space.	2,000 sq. ft. of support space.

	The Bay Center	*San Francisco at the Wharf*
Flexible Use Space:	9,000 sq. ft. for additional education-oriented uses, conference space, U.S.S. Pampanito, or retail.	
Exterior Public Areas:	Programmed with public art and educational exhibits relating to education/ interpretive themes. At front of Shed A: Large vertical water sculpture representing the water cycle.	Improved with public art and semi-enclosed visitor waiting areas. At front of Shed A: Sculptured compass rose.
Project Schedule:	Opening late Fall 2002	Opening June 2002

Financial Proposal

	The Bay Center	*San Francisco at the Wharf*
Initial Base Rent:	$360,000 per year, plus $8 per sq. ft. annually from independent retail tenants and corporate sponsors.	$600,000 per year.
Percentage Rent:	Years 1-5: 3% of gross receipts in excess of $3.6 million. Years 6+: 4% of gross receipts over adjusted break-point. Excludes certain revenues, such as grants, sponsorships, memberships.	8.5% of retail gross receipts 6.5% of food & beverage gross receipts 2.5% of attraction gross receipts
Periodic adjustments:	CPI adjustments to Base Rent every 5 years, not to exceed 20% each 5-year period.	Annual CPI adjustments to Base Rent not to exceed 4% per year. Percentage Rent adjustments to be negotiated
Rent Credits:	None.	Tenant to receive following rent credits: 100% of development costs related to external public areas; and 50% of remaining development costs over 20 years. In no event shall annual rent payment be less than the Base Rent of $600,000.
Lease term:	50 years.	50 years, with initial term of 10

	The Bay Center	*San Francisco at the Wharf*
		years and eight 5-year options.
Rent Commencement Date:	Certificate of occupancy	Opening of operations
Port proceeds from sale/ refinancing:	50% of sale proceeds after payment of certain expenses, including fees, loans, and grants. Applies to sale to for-profit entity only.	To be negotiated
Port proceeds from Historic Tax Credit:	None indicated	To be negotiated
Development Costs:	$36.2 million	$30.7 million
Funding:	Fundraising, corporate sponsorships, grants, and tax-exempt bonds.	45% equity from The Malrite Company 55% debt financing
Completion Guarantee:	Provided by development entity	Provided by development entity

Prepared by: Kirk Bennett
Manager, Waterfront Development Projects

PORT OF SAN FRANCISCO

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MEMORANDUM

February 2, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas Wong
Executive Director

ACTION: Approve Resolution Urging the San Francisco Bay Conservation and Development Commission (BCDC) to Support Legislation to Affirm Any BCDC Action on a Bay Plan Amendment to Reconcile BCDC and Port Plans (Resolution No. 00-13)

Port staff wishes to provide the Commission with a status report on the Port and BCDC's efforts to achieve consistency between the Waterfront Land Use Plan and BCDC plans. On December 16, 1999, the Port Commission held a joint public hearing with the BCDC to receive a presentation of a Draft Framework Agreement of amendments to reconcile BCDC and the Port's plans. At a second joint meeting on January 6, 2000, the BCDC approved initiating its process to amend its plans, and set up a Joint BCDC/Port Subcommittee to address unresolved issues concerning the removal of historic pier structures, and the design of the Northeast Wharf Plaza.

Numerous public comments were received at that January 6th meeting. Among them were questions from several BCDC Commissioners as to whether there was adequate legal basis for BCDC to approve the plan amendments proposed in the Draft Framework Agreement, based on a finding that the amendments were in the health, welfare and safety interests of the residents of the Bay Area.

After reviewing the pertinent sections of the McAteer-Petris Act, Port Counsel, Noreen Ambrose, and outside counsel, Marc Mihaly, believe that there is an issue as to whether the health, welfare and safety finding provides the necessary foundation for the BCDC to authorize the plan amendments. They also believe that the most direct approach to remedying the situation is to have the State Legislature affirm any ultimate BCDC action on a Bay Plan amendment. Such ratification from the State Legislature would require legislation. In order to meet a State Legislature deadline for submitting proposals for review by the State Legislative Counsel, our counsel drafted legislation (attached in Exhibit A). Port staff and

counsel do not believe that the legislation interferes with BCDC's discretion, because the legislation only would be effective if the BCDC in fact approves amendments to its plans at the conclusion of the current plan amendment process.

Following the January 6th BCDC/Port joint meeting, Port staff reported the legal concerns to BCDC and Save the Bay, and the risk they potentially pose for upcoming Port development projects. This discussion was followed up with a meeting on January 18th held by BCDC Commissioner Susan Leal, Chair of the BCDC/Port Committee, and was attended by Commissioner McCarthy, at which time the draft legislation was provided to BCDC staff. At that meeting, BCDC Executive Director Will Travis indicated that he would be briefing his Commission at its January 20, 2000 meeting.

Unfortunately, the schedule for proposing legislation runs concurrently with the BCDC/Port plan amendment process currently underway. The deadline to submit proposals for possible bills for review by the Legislative Counsel was January 21st. The last day to actually introduce legislation is February 25, 2000.

Staff acknowledges the unusual step of proposing ratification for a plan that has not yet been approved by BCDC. However, given the significant future development project proposals that would need to rely on the BCDC plan amendments currently contemplated, the presence of any potential for substantive legal challenge of the BCDC plans is of great concern to the Port.

The Port's draft legislation was also sent to the BCDC Commissioners, Save San Francisco Bay Association, and the Attorney General's office to review. At the January 20th BCDC meeting, Executive Director Will Travis provided a briefing on the draft legislation effort. The BCDC expressed grave concerns, questioning the basis for proposing legislation now, the content of the legislation, and its potential to negatively impact the BCDC/Port Committee plan amendment process. Concern was also expressed that the legislation could be altered to undermine BCDC's authority. Port staff answered all questions and concerns to the best of our ability. After much discussion, including a telephone conference with Port Executive Director Doug Wong, the BCDC adopted a motion that "accept[s] the Port's offer to withhold submission of the legislation until they had agreement between both bodies; that [BCDC] schedule a public hearing and vote on such legislation for our next meeting; and that we direct the [BCDC] Executive Director to convey our grave concerns about the procedure that's gone on to the Port and to the Port Commissioners between now and then."

The BCDC continued discussion of the draft legislation to its February 17th meeting. On February 4th, Port staff and legal counsel will meet with BCDC staff and the Attorney General's office to review Port Counsel's legal analysis and discuss possible solutions to ensure a solid foundation for any BCDC plan amendment actions.

Based on the more detailed legal analysis conducted by Port Counsel to date, the Port strongly believes that legislation is needed to provide certainty that the Port and BCDC commitments contemplated in the plan amendments now under public review can be carried out. To that end, staff recommends Commission approval of the attached Resolution No. 00-13 urging the BCDC to support legislation that affirms any ultimate BCDC action on Bay Plan amendments to reconcile BCDC and Port plans for the San Francisco waterfront.

We will report further developments from the February 4th meeting with BCDC and the Attorney General's office to the Port Commission and public at the February 8, 2000 Port Commission meeting.

Prepared by: Paul Osmundson
Planning & Development

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-13

WHEREAS, In 1994, The Port and the San Francisco Bay Conservation and Development Commission entered into a Memorandum of Agreement to work jointly on BCDC and Port plan amendments to establish consistent policies for the San Francisco waterfront, to enable implementation of the Port's Waterfront Land Use Plan; and

WHEREAS, In 1996, staff of the Port, BCDC, and Save San Francisco Bay Association signed a Draft Concept Agreement including provisions for fill removal and public access, and elimination of BCDC's water-oriented use requirements for Port projects on the Port's existing piers; and

WHEREAS, The Port and BCDC Commissions are currently engaged in a joint Committee process to resolve remaining issues necessary to develop Plan amendments for BCDC and Port plans; and

WHEREAS, The Port and BCDC plan amendments are necessary to allow Port and BCDC to approve important Port development projects, such as the mixed use active recreation project at Piers 27-31 which BCDC would not generally consider a water-oriented use; and

WHEREAS, Port Counsel recommended that the State Legislature affirm BCDC's authority to approve any Bay Plan amendments to provide the certainty that the Port requires to proceed with the waterfront improvements consistent with the amended plans; and

WHEREAS, On January 20, 2000, the BCDC adopted a motion that "accepts the Port's offer to withhold submission of the legislation until they had agreement between both bodies; that we schedule a public hearing and vote on such legislation for the next meeting; and that we direct the Executive Director to convey our grave concerns about the procedure that's gone onto the Port and to the Port Commissioners between now and then," now, therefore be it

RESOLVED, That the Port Commission urges the BCDC to authorize its staff and counsel to work with the Port to develop mutually acceptable legislation or other legally sound mechanism that affirms any ultimate BCDC action on Bay Plan amendments to reconcile BCDC and Port plans for the San Francisco waterfront.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of February 8, 2000.

_____
Secretary

EXHIBIT A

DRAFT FOR DISCUSSION – 1/18/2000
ATTORNEY WORK PRODUCT
AB _____

An act authorizing the San Francisco Bay Conservation and Development Commission to undertake certain amendments of the San Francisco Bay Plan with respect to a portion of the lands granted in trust to the City and County of San Francisco pursuant to Chapter 1333 of the Statutes of 1968 , and declaring the urgency thereof, to take effect immediately.

The people of the State of California do enact as follows:

SECTION 1.

As used in this act:

(1) "BCDC" means the San Francisco Bay Conservation and Development Commission as created by the McAteer-Petris Act.

(2) "Bay Jurisdiction" means the jurisdiction, powers, and duties of BCDC pursuant to the McAteer-Petris Act to regulate fill in the San Francisco Bay and certain waterways thereof to uses and pursuant to conditions specified in Section 66605 thereof.

(3) "Burton Act trust" means the statutory trust imposed by the Burton Act (Chapter 1333 of the Statutes of 1968, as amended), pursuant to which the state has conveyed, by transfer agreement, to the City and County of San Francisco (hereinafter "City"), in trust, acting by and through the San Francisco Port Commission (hereinafter "Port Commission"), and subject to certain terms, conditions, and reservations, the state's interest in certain tide and submerged lands (the "Burton Act grant").

(4) "McAteer Petris Act" means the legislation creating and defining the powers and duties of the San Francisco Bay Conservation and Development Commission , Title 7.2 of the Government Code (sections 66000 through 66682) as it may be hereinafter amended.

(5) "Pier" means a pile-supported structure that extends from the shoreline over the waters of San Francisco Bay subject to the Burton Act trust, and includes the pier aprons and, marginal wharfs extending between the seawall and the pier.

(6) "Shoreline Band Jurisdiction" means the jurisdiction, powers, and duties of BCDC pursuant to the McAteer-Petris Act to regulate uses within the area defined in section 66610 (b) thereof to ensure maximum feasible public access as set forth in section 66632.4 thereof.

SECTION 2. The Legislature hereby finds and declares as follows:

(a) In 1965, the Legislature adopted the McAteer-Petris Act to protect and enhance the San Francisco Bay and its natural resources. The McAteer-Petris Act grants BCDC regulatory authority over further filling in the Bay through exercise of its Bay jurisdiction and limits such activity to water-oriented uses which meet specified criteria; and over a 100 foot shoreline band through exercise of its Shoreline Band jurisdiction where developments must provide maximum feasible public access to the Bay consistent with the project.

(b) Pursuant to the Burton Act, in 1969, the state conveyed by transfer agreement certain tide and submerged lands to the City and County of San Francisco, in trust for purposes of commerce, navigation, and fisheries, and subject to the terms and conditions specified in that act.

(c) During the last three decades, questions have arisen concerning the application of the McAteer-Petris Act to the Burton Act grant with respect to pile supported structures including piers, bulkhead buildings, and marginal wharfs (referred to here collectively as "Piers

(d) In 1986, and again in 1992, the Attorney General opined that development on Piers which involved routine, or no repair or work on pier decking or supporting pilings should be treated as falling within BCDC Shoreline Band jurisdiction; and that development which involved substantial repair, reconstruction, or construction of new pier area should fall within BCDC Bay jurisdiction, the distinction between the two treatments to be made on a case by case basis by BCDC.

(e) Over time, the case-by case application off this distinction, including the definition of substantial repair and the treatment of repairs and improvements undertaken for reasons of seismic safety, has lead BCDC and the Port to conclude that an area-wide solution to issues relating to public access and development of piers should be undertaken. Accordingly BCDC and the Port have undertaken a careful and lengthy planning process. The two agencies, with significant assistance of affected citizens and groups, are jointly developing a new Special Area Plan for San Francisco to be considered for adoption by BCDC as part of the San Francisco Bay Plan. The Port, in response to the mandates of a local initiative and with the assistance of BCDC, has adopted a San Francisco

Waterfront Land Use Plan and subsequently the Waterfront Design and Access Element (together, the "Waterfront Plan"). This Waterfront Plan incorporates specific McAteer-Petris Act issues of public access and preservation and enhancement of open water as a Bay resource. The Plan defines public access opportunities on each pier and calls for the removal of certain additional Piers to enhance water views and remove fill unnecessary to the Bay.

(f) The purpose of this joint effort is to provide, in the BCDC Special Area Plan for the following: (1) the nature, minimum and maximum extent of maximum feasible public access for Piers including perimeter access, a history walk on most Piers, and other significant access features on Piers where appropriate; (2) two major public plazas, one in the vicinity of Piers 34 and 36 (the "Brannan Street Green") and one in the vicinity of Pier 27 ("Wharf 29"); (3) a public planning process to lead to the creation of a third major public plaza in the Fisherman's Wharf area; (4) the removal of certain Piers to uncover additional Bay surface; (5) the creation and funding of a Public Access Fund within the Port to finance the removal of the selected Piers and the construction and maintenance of these public plazas; (6) a historic preservation plan which assures preservation of important historic resources on the Piers; and (7) the ability of the Port to repair, improve, or use the Piers for any purpose consistent with the Burton Act trust and the provisions of the Special Area Plan, including provisions necessary to exempt permits within the planning area of the Burton Act grant from the requirements of the San Francisco Bay Plan, Part V, "Control of Dredging and Filling in the Bay" subsection 1 a (5) and the water-oriented use requirement of the McAteer-Petris Act.

(g) The waterfront area that is the subject of this planning process provides trust benefits to the entire Bay Area, serving as a unique destination for the region's public. These region wide benefits include enjoyment of a unique, publicly owned waterfront that provides special maritime, and navigational,recreational, cultural and historical, benefits that serve the Bay area. Accordingly, the adoption by BCDC and the ratification by the Port of a Special Area Plan which includes the elements in recital (f) above would serve the health, safety and welfare of the people of the Bay area region and the state, and is necessary to the health, safety and welfare of the public in the entire bay area for purposes of Section 66632(f) of the McAteer-Petris Act.

SECTION. 3. The Legislature hereby ratifies BCDC action to amend the Bay Plan to repeal the existing Special Area Plan and Total Design Plan for San Francisco, and to adopt a new Special Area Plan generally conforming to provisions in finding (f) above.

SECTION 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health or safety within the meaning of Article IV

of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Uncertainties concerning the application of the Burton Act and the McAteer-Petris Act to certain tidelands may interfere with the ability of the Port and BCDC to process leases and permits for uses on piers which will be of benefit to the public trust. It order to ensure the coordinated administration of the public trust within the Burton Act grant, it is necessary that this act take effect immediately.

PORT OF SAN FRANCISCO

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MEMORANDUM

February 2, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to Issue a Request for Proposals for the Piers 1½ - 5 Mixed Use Preservation Project Development Opportunity

DIRECTOR'S RECOMMENDATION: AUTHORIZE ISSUANCE OF REQUEST FOR PROPOSALS

This staff report provides background information regarding the proposed development of the Piers 1½ - 5 Mixed Use Preservation Project, and it includes the recommendation that the Port Commission authorize staff to issue a Request for Proposals ("RFP") for this development opportunity.

BACKGROUND

Site

Piers 1 ½ - 5 are located at the north end of the Ferry Building Waterfront fronting on The Embarcadero. The Site consists of the Pier 1½ , 3 and 5 bulkhead and connector buildings, Pier 1 ½ , and the portion of Piers 3 not leased under long term leases to Hornblower Yachts, Inc. and FB Santa Rosa Partnership Ltd. The Site, as shown on the attached Site Plan, contains 41,101 sq. ft. of pier area and 49,092 sq. ft. of existing gross building area.

This Print Covers Calendar Item No. 8C

Required Substructure Repairs

Preliminary engineering studies conducted in conjunction with the Mid-Embarcadero Roadway Project found parts of the marginal wharf between Piers 1 ½ - 5 to be seriously deteriorated. The Port subsequently retained an independent engineering consultant, Structus, to survey the condition of the substructure under these bulkhead buildings. Based upon the results of this survey, the Port's Engineering Group has determined that the future use and improvement of the buildings on this marginal wharf after 2000 will be difficult unless substructure repairs are made to the marginal wharf. The construction cost of these repairs is estimated at approximately $7.3 Million.

Pursuant to an MOU with the San Francisco Department of Public Works, $1 Million of this work, involving the first bay of the marginal wharf adjacent to the seawall, will be funded by the Mid-Embarcadero Roadway Project, provided that the Port awards a contract for this work by June 2000. Consequently, as reported in the agenda package for the January 11, 2000 Port Commission meeting, plans and specifications for this portion of the repair work are currently being reviewed by Caltrans, and Port staff anticipates awarding the construction contract in June 2000. The total estimated cost for this work, including design fees, is $1,750,000 Million. The cost of this work in excess of $1 Million will be funded from the Marginal Wharf Project (CPO650) previously approved by Port Commission Resolution No. 97-79.

The remaining work required to the Site substructure, which is necessary for the future use and improvement of the Site, will need to be funded through a partnership between the Port and a private developer.

Ferry Building Waterfront Advisory Group

In November 1999, Port staff reconvened the Ferry Building Waterfront Advisory Group ("Advisory Group") to provide input on the development concept to be included in a RFP for the Site. (A list of the Advisory Group members is attached.) At its December 15, 1999 meeting, the Advisory Group approved the Mission Statement and Development Concept to be included in an RFP for the development of the Site. Port staff concurs with these recommendations, which are presented below.

While this Mission Statement and Development Concept are based upon the Waterfront Land Use Plan and its Design and Access Element, the policies, objectives and standards set forth in those documents were expanded by the Advisory Group to reflect additional analysis specific to the Site and its prospective development program. It should be noted that, as a result of the Advisory Group review process and recommendations, certain aspects of the Development Concept proposed for the RFP do not conform with the current policies of the Waterfront Plan, which are also specified below.

MISSION STATEMENT

The Port's primary goals for the Piers 1½-5 Preservation Project are stated in the following Mission Statement for this development opportunity:

The goals of this development are to: (1) create an inviting mixed-use Project which will help attract the public to the Bay and enhance their waterfront experience; (2) preserve and rehabilitate the historic waterfront maritime buildings on the Site; and (3) provide rental revenue to the Port to support its public trust mandate.

The Project will have a quality design that is authentic to the historic maritime character of the Ferry Building Waterfront and the Northeast Waterfront. The Project will be designed to respect this character, to bring new commercial and maritime activity to the Ferry Building Waterfront, and to maximize public access to and enjoyment of the Project's spectacular waterfront setting.

DEVELOPMENT CONCEPT

Planning Objectives

1. Preserve and retain historic structures, both recalling the area's historic use and accommodating new uses.

2. Provide a mix of uses that emphasizes the civic importance of the Ferry Building Waterfront area, contributes to the history and cultural context of the area, generates waterfront activity and serves San Franciscans and visitors alike.

3. Promote activities on the Site which enhance, complement and benefit from the existing uses in the Ferry Building Waterfront area and proposed uses under the following Port Leases:

   (a) the maritime related functions planned for Pier 3 pursuant to Port Lease Nos. L-10421 with FB Santa Rosa Partnerships Ltd. and L-12175 with Hornblower Yachts, Inc.;

   (b) the maritime office, office and food-related functions planned for Pier 1 pursuant to Port Lease No. L-12838 with AMB Property Corporation; and

   (c) the transportation-related functions and other uses planned for the Ferry Building pursuant to Port Lease No. L-12881 with Ferry Building Investors, LLC.

4. Provide eating and drinking establishments which attract the public to the Site and enhance their waterfront experience, including:

   (a) Provide an eating and drinking establishment at Pier 1½ (Parcels A and/or B) to encourage public use of this historic space.

   (b) Provide a casual eating establishment at the north end of the Pier 5 bulkhead building (Parcel G) to further activate the adjoining Pier 7 Plaza. Tables and chairs for food and beverage services should spill out onto the Pier 7 Plaza to provide interest and enjoyment for users, while maintaining adequate pedestrian circulation and minimizing blockage of the waterfront edge.

(c) Cafes are encouraged along The Embarcadero to take advantage of afternoon sun and pedestrian activity along the Promenade (Herb Caen Way).

5. Accommodate and promote maritime activities, in particular Excursion Boats, Historic Ships, and Recreational Boating and Water Use, Temporary and Ceremonial Berthing, Water Taxis and other vessels.

6. Promote the use of public transit as a primary mode of transportation, by implementing the following:

   (a) Minimize the intensity of automobile activity by not providing on-site parking.

   (b) Promote ride-sharing and the use of public transit through the sale of transit passes, provision of van pool/car pool parking spaces, and joint promotional campaigns with transit providers.

   (c) Implement a Transportation Demand Management Program in conjunction with other new developments in the Ferry Building Waterfront Area to reduce the number of private automobile trips to the Site and to bring about an overall reduction in automobile dependency through education, assistance and incentives.

Public Access Objectives

1. Extend the PortWalk/Bayside History Walk public access from Herb Caen Way to and along the water's edge. Use existing building openings and open air interior passageways and extend existing exterior decking as necessary (Parcels 1, 2A, 2B, 3A, 3B and 3C on the Site Plan) to provide convenient, direct and aesthetically pleasing public access connections to the Bay. Connect the Bayside History Walk to adjoining properties as follows:

   (a) Provide a connection between Parcel 1 and the adjoining Pier 1.

   (b) Accommodate a planned connection through the leasehold for Hornblower Yachts, Inc. between Parcels 1 and 2A.

   (c) Provide a connection between Parcel 3A and the Pier 7 Plaza that extends beyond any tables and chairs provided for food and beverage services at the Pier 5 building's north end (see Planning Objective 4(b) above), to ensure that the Bayside History Walk is visible from Herb Caen Way

2. Provide views from Herb Caen Way to the Bay at the north entry gate of Pier 1½ (Entry 1), at the corridor between Parcels D and F (Entry 2), and between Parcels F and G (Entry 3), recognizing that maritime berthing activities may both interrupt views and offer views in and of themselves.

3. Enhance connections between indoor and outdoor spaces by maximizing the transparency of openings in building walls. Provide views into and through the ground floor, consistent with the architectural character and use of the buildings.

4. Provide interpretive signage and informational displays, coordinated with a Portwide signage program and the adjoining Pier 1's Bayside History Walk, to inform the public about such matters as the waterfront's cultural and natural history, architecture and environmental resources.

5. Include furnishings to make the new public access usable to the public, such as comfortable benches, drinking fountains, railings, trash receptacles, etc. The design, materials, style, and detailing of these improvements should enhance the historic buildings.

Design Objectives

1. Meet the Port's design guidelines set forth in the Waterfront Plan's Waterfront Design and Access Element, as well as pertinent policies in the San Francisco General Plan and its Northeastern Waterfront Plan.

2. Seismically retrofit and rehabilitate the facilities on the Site to current fire, safety, and building code standards as they apply to structures over the water and historic buildings.

3. Preserve and adaptively reuse the buildings on the Site, consistent with *The Secretary of the Interior Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings.* Retain authentic historic exterior architectural embellishments and character-defining features of interior spaces.

   The Port is interested in listing these buildings on the National Register of Historic Places, either individually or as part of an historic district, and expects the collaboration of the developer in such an effort.

4. Utilize arched entries (e.g., the Pier 5 arch) for access to major pier or bulkhead uses. Retain the view to the water through the Pier 5 bulkhead.

5. Use simple and regular forms for improvements and openings on the waterside of the bulkhead buildings, and materials compatible with pier improvements, to not detract from the character-defining elements of these historic buildings.

6. Design public access for permanence, waterfront conditions and a high level of public use. Avoid concealed or otherwise unmonitored areas, encourage visibility from adjacent uses and include adequate lighting for security.

7. Use primarily light colors for facility exteriors, and building architectural lighting, compatible with that to be used for the Pier 1 bulkhead building.

8. Design exterior signage to be compatible with the character of the Ferry Building Waterfront and the Port's Sign Guidelines.

9. Reflecting the Port's commitment to equal opportunity in public contracting, the selected developer will be required to demonstrate its good faith efforts to make contracting opportunities in connection with the design and development of the Project available to economically disadvantaged minority and women owned businesses.

Financial Objectives

1. Consistent with the Planning, Public Access, and Design Objectives, maximize the Port's revenue from the Site over the lease term to help the Port meet its Public Trust objectives of supporting maritime industries, providing public-oriented activities, environmental and open space improvements on the waterfront, and maintaining Port facilities. The developer must:

   (a) Guarantee a fair market monthly base rent, taking into consideration the public benefits being provided as part of the Project.

   (b) Pay percentage rent (or other type of participation rent) to the Port calculated on the gross receipts of the Project.

   (c) Pay rent to the Port during the Project's construction.

   (d) Pay the Port a share of the net proceeds that the developer receives from the sale, refinancing or transfer of the leasehold.

   All rent must be net to the Port, with the developer being responsible for all operating expenses for the Project and the Site, including the public access areas.

2. The developer will be required to make substantial capital improvements to the Site for the development of the Project, including upgrades to code, seismic and other improvements to the substructure and structures of the piers, rehabilitation to historic preservation standards, hazardous materials abatement, and public access amenities.

3. The developer will be required to assume all the financial risks of the development, construction, maintenance/repairs, and operation of the Project.

Uses

The Port, through its Advisory Group process, considered many possible uses and has developed the following list categorizing the uses considered. **Required Uses** must be included in the Project. **Encouraged Uses** are desirable but not mandatory, **Permitted Uses** are allowed, and **Uses Not Permitted** are not allowed. The categories of uses include the uses indicated in the Glossary of Terms in the Port's Waterfront Land Use Plan. Note that not all uses listed below are consistent with the Waterfront Land Use Plan for each and every one of the piers. The advisory group review process led to proposed amendments to the Plan to facilitate all three piers being developed as a single project.

Required Uses: Casual Eating Establishment, Pier 5 north end (Parcel G north end)

Ground Level Retail and Restaurants (Parcels A, B, C, D, E, F and/or G)

Public Access—Bayside History Walk (Parcels 1, 2A, 2B, 3A, 3B, 3C)

	Access to leaseholds of Hornblower Yachts, Inc. and F. B. Santa Rosa Limited Partnership on Pier 3, and provision of berthing encroachments related to these leaseholds.	
Encouraged Uses:	Eating and Drinking Establishment, Pier 1½ (Parcels A and/or B)	
	Excursion Boats	
	Historic Ships	
	Maritime Office	
	Maritime Support Services	
	Recreational Boating and Water Use	
	Temporary & Ceremonial Berthing	
	Water Taxis	
	Ferry Boats	
	Visitor Services	
Permitted Uses:	Upper Level Retail	Museums
	Upper Level Restaurants	Academic Institutions
	Community Facilities	Artists/Designers
	Assembly & Entertainment	Recreational Enterprises
	General Office	Warehousing/Storage
	Transportation Services	
Uses Not Permitted:	Cargo Shipping	Hotels
	Fishing Industry	Residential
	Passenger Cruise Ships	Sports Facilities (arenas, etc.)
	Ship Repair	General Industry
	Parking	Power Plant
	Wholesale Trade/ Promotion Center	

As noted above, some of these uses do not conform to the current policies of the Waterfront Plan, in that a specific use identified may be permitted on one or two of the piers (Piers 1 ½, 3 or 5), but not on all three piers. For purposes of the Development Concept indicated above, a use permitted on one or two of the piers is considered to be potentially acceptable as part of a single development encompassing all three piers, subject to the Port Commission's discretion in undertaking amendment of the Waterfront Plan. If the Port selects a developer for the Site who is responsive to this RFP but who proposes uses not currently indicated as acceptable in the Waterfront Plan, it is anticipated that any necessary conforming amendments to the Waterfront Plan will be proposed as part of the project entitlement process, subsequent to completion of environmental review of the project pursuant to CEQA. In addition, the Port's ultimate approval of a project will be subject to the Port's determination of consistency of the Burton Act, whereby any general office uses or other non-trust uses are found to be incidental to the public trust goals of the project.

KEY LEASE TERMS

Port staff proposes to include the following economic terms in the Key Lease Terms that the Port expects to receive from the Project:

1. Subordination – The Port's fee ownership and rental income stream will not be subordinated.

2. Premises – The developer will have exclusive use of the Site, except for open space areas and water areas, and subject to the objectives of this RFP. Use of open space areas will be non-exclusive, subject to public access requirements and the Open Space Objectives of this RFP. The Port may grant the developer preferential berthing rights for encouraged maritime uses, provided they do not conflict with the berthing rights of adjacent leaseholds or for temporary berthing at Pier 1.

3. Rent to the Port

   (a) Monthly Base Rent – Monthly Base Rent will be negotiated with Port staff based on the proposal submitted by the developer. The Port's expectation for the first year of stabilized operation is annual Base Rent of at least $316,000, which equals the aggregate rent that the Port now generates from the Site. Respondents are encouraged to propose a higher Base Rent.

   (b) Base Rent Adjustment – Periodic cost of living or other adjustments to the monthly Base Rent will be negotiated with Port staff based on the proposal submitted by the developer, but such adjustments shall not be less than annual cost of living increases.

   (c) Percentage Rent – Percentage Rent calculated and paid monthly on the gross receipts generated on the Site will be negotiated with Port staff based on the proposal submitted by the developer. Monthly Percentage Rent will be offset by the amount of Base Rent paid. Percentage Rent should be structured to allow the Port to participate in future growth of gross receipts.

4. Term – The Port will agree to a lease term appropriate to the proposed rental schedule and structure, not to exceed 50 years in length. While the Port is willing to grant a lease term of up to 50 years, the Port would expect, in return for granting a longer lease term of more than 25 years, to receive increased participation in future growth of revenues generated on the Site. The Port's expectations for participation in future growth of revenues would be greater the longer the lease term granted. This participation could be through adjustments in base rent, percentage rental factors, and/or alternative structures which are based upon the growth in the gross revenues of the project. Simplicity of rental structure is preferred to a complicated participation structure.

5. Sale/Transfer/Refinancing - The Port expects to participate in the net proceeds that the developer receives from the sale, transfer or refinancing of the leasehold.

6. Improvements - All capital improvements to the Site shall be at the sole cost of the developer.

7. Maintenance/Repairs – During the term of the Lease, the developer shall be responsible for all improvements, maintenance, repairs and operating expenses associated with the Premises, including the non-exclusive areas.

The terms of the lease will be negotiated by Port staff based upon the terms proposed by the respondent and will be subject to final approval by the Port Commission and the San Francisco Board of Supervisors.

SELECTION PROCESS

Port staff recommends a selection process consisting of the following steps:

1. Request for Proposals – Submittal of qualifications, development proposal, and financial proposal (which would be required to be accompanied with a $40,000.00 earnest money deposit that would be refundable to all respondents except the one with whom the Port enters into exclusive negotiations).

2. Exclusive Right to Negotiate – Selection of a developer by the Port Commission and execution of an Exclusive Right to Negotiate Agreement, which would constitute an interim contract to be utilized during the initial project approval process while the development agreement and lease are being negotiated, due diligence investigations and preliminary design work are being done, and environmental review of the project is being conducted. The exclusive negotiation period would be for nine months, with conditional options to extend.

3. Approval of Transaction - Upon completion of any required environmental review and finalization of negotiations by Port staff, the Port Commission could approve a development agreement, a lease and related documents. If the project was not maritime-related, the lease will also be subject to approval by the San Francisco Board of Supervisors.

SELECTION CRITERIA

Respondents must satisfy all of the selection criteria. The most important criteria will be the experience and the financial capacity and capability of the respondents. Other criteria, including how well the proposal meets the Planning, Open Space, Design and Financial Objectives and the Key Lease Terms, will be given equal consideration.

SCHEDULE

If authorized, Port staff intends to publish the RFP in February 2000, and the RFP would allow a response period of approximately 90 days.

RECOMMENDATION

Port staff recommends that the Port Commission authorize and direct staff to issue an RFP for the lease of the Site and the development of the Piers 1 ½ - 5 Mixed Use Preservation Project on the Site, which incorporates the terms indicated above. Prior to issuing this RFP, Port staff plans to solicit comments from the staff of the San Francisco Planning Department and the San Francisco Bay Conservation and Development Commission, which may require some refinements in the RFP language.

Prepared by: Kirk Bennett
Manager, Waterfront Development Projects

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PORT COMMISSION

CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-07

WHEREAS, Charter Section B3.581 empowers the Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port jurisdiction; and

WHEREAS, Pursuant to the site specific process indicated in the Waterfront Land Use Plan for major development projects, Port staff reconvened the Ferry Building Waterfront Advisory Group to provide the Port with input and guidance on the development concept being considered for the Piers 1 ½, 3 and 5 bulkhead and connector buildings, Pier 1 ½, and the portion of Pier 3 not included in the long term leaseholds of Hornblower Yachts, Inc. and FB Santa Rosa Partnership, Ltd. ("Site"); and

WHEREAS, Port staff has received input and guidance from the Ferry Building Waterfront Advisory Group on the mission statement and development concept for the development of the Site; and

WHEREAS, The Port Commission now wishes to proceed with the solicitation of proposals for the development of the Site; and

WHEREAS, The Port is committed to diversity in the design and construction opportunities represented by this project; and

WHEREAS, The issuance of a RFP does not commit the Port to proceed with the project and the Port reserves the discretion as to whether to approve a lease or development agreement for the project until after environmental review has been completed in compliance with the California Environmental Quality Act (CEQA); and

WHEREAS, The Port Commission requires competitive bidding of this opportunity; now therefore, be it

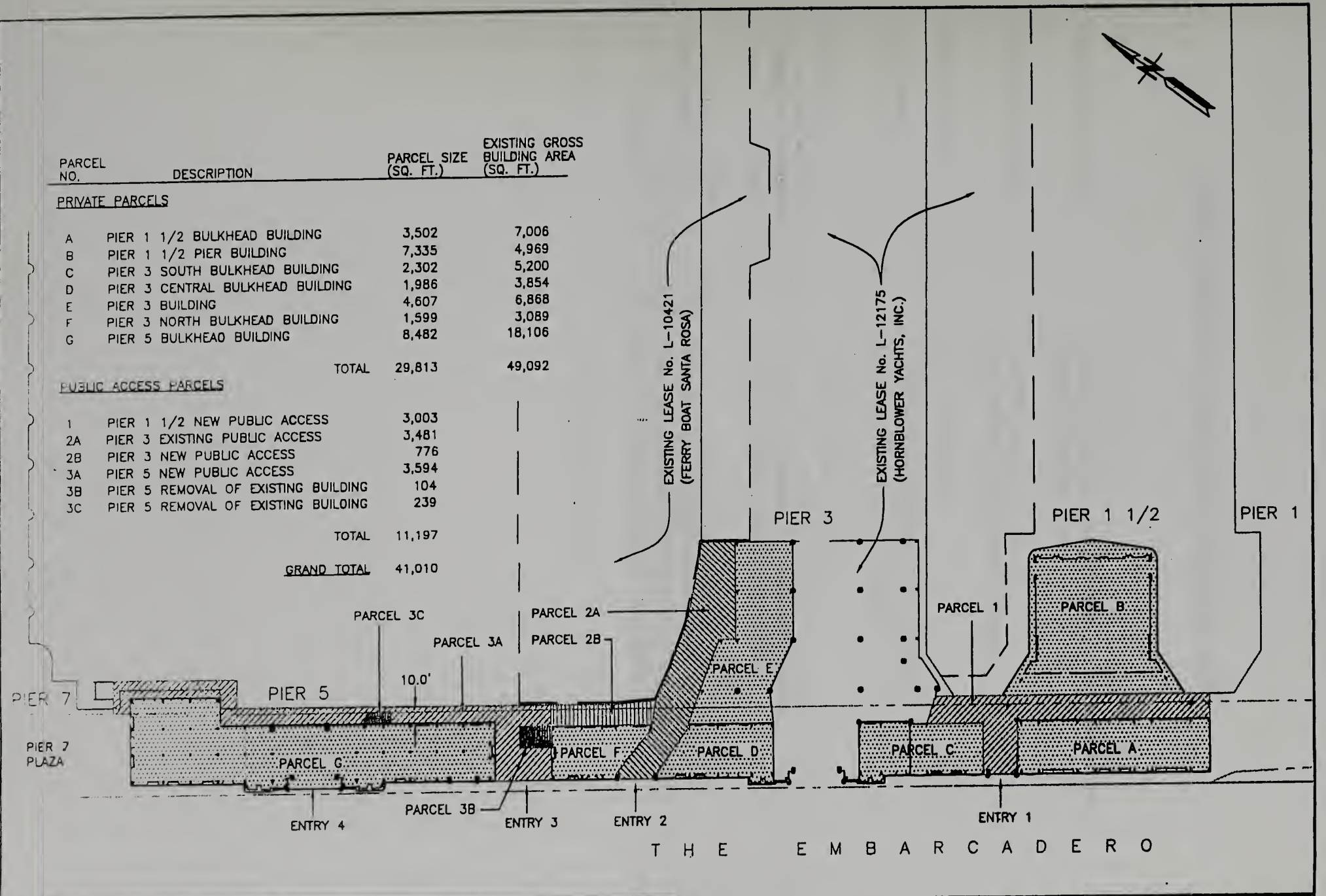
RESOLVED, That the Port Commission hereby authorizes and directs Port staff to issue a RFP for the development and lease of the Site as set forth in the memorandum to the Port Commission for Item No. 8C of the Port Commission's February 8, 2000 meeting, a copy of which is on file with the Port Commission Secretary.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of February 8, 2000.

_____

Secretary

PARCEL NO.	DESCRIPTION	PARCEL SIZE (SQ. FT.)	EXISTING GROSS BUILDING AREA (SQ. FT.)
PRIVATE PARCELS			
A	PIER 1 1/2 BULKHEAD BUILDING	3,502	7,006
B	PIER 1 1/2 PIER BUILDING	7,335	4,969
C	PIER 3 SOUTH BULKHEAD BUILDING	2,302	5,200
D	PIER 3 CENTRAL BULKHEAD BUILDING	1,986	3,854
E	PIER 3 BUILDING	4,607	6,868
F	PIER 3 NORTH BULKHEAD BUILDING	1,599	3,089
G	PIER 5 BULKHEAD BUILDING	8,482	18,106
	TOTAL	29,813	49,092
PUBLIC ACCESS PARCELS			
1	PIER 1 1/2 NEW PUBLIC ACCESS	3,003	
2A	PIER 3 EXISTING PUBLIC ACCESS	3,481	
2B	PIER 3 NEW PUBLIC ACCESS	776	
3A	PIER 5 NEW PUBLIC ACCESS	3,594	
3B	PIER 5 REMOVAL OF EXISTING BUILDING	104	
3C	PIER 5 REMOVAL OF EXISTING BUILDING	239	
	TOTAL	11,197	
	GRAND TOTAL	41,010	



APPROVED BY
SAN FRANCISCO PORT COMMISSION
DATE _____

SAN FRANCISCO PORT COMMISSION
PORT OF SAN FRANCISCO
DEPARTMENT OF ENGINEERING

DEVELOPMENT SITE
SITE PLAN

DRAWN BY: ECC	DATE: DEC 2, 1999
CHECKED BY: EB/KB	SCALE: NONE
DRAWING NO.	SHEET NO.

FERRY BUILDING WATERFRONT ADVISORY GROUP

Anne Halsted, Chair	**Former President, San Francisco Port Commission** **Former President, Spur**
Charles Edwin Chase	Executive Director, San Francisco Architectural Heritage
Herb Lembcke	Sony Development
Jane Morrison	Member, Waterfront Plan Advisory Board President, San Francisco Tomorrow
Bill O'Connor	Golden Gateway Commons
Marina Secchitano	Member, Waterfront Plan Advisory Board Inland Boatmen's Union of the Pacific
Julia Viera	Member, Waterfront Plan Advisory Group Executive Director, Friends of Islais Creek Channel Board of Directors, San Francisco Beautiful
Don Wyler	Gerson Bakar & Associates

/00

SAN FRANCISCO
PORT COMMISSION

FEBRUARY 8, 2000
MINUTES OF THE REGULAR MEETING

DOCUMENTS DEPT.

FEB 2 8 2000

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PUBLIC LIBRARY

MEMBERS, PORT COMMISSION

HON. KIMBERLY BRANDON, PRESIDENT
HON. BRIAN McWILLIAMS, VICE PRESIDENT
HON. DENISE McCARTHY
HON. MICHAEL HARDEMAN
HON. PIUS LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE REGULAR MEETING
4:00 P.M., TUESDAY, FEBRUARY 8, 2000

1. ROLL CALL

Commission Vice President Brian McWilliams called the meeting to order at 4:21 p.m. The following Commissioners were present: Brian McWilliams, Denise McCarthy, Michael Hardeman and Pius Lee. Commission President Kimberly Brandon was not present.

2. APPROVAL OF MINUTES - January 25, 2000 Regular Meeting

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; the minutes of the January 25, 2000 regular meeting were adopted.

3. EXECUTIVE

A. Executive Director's Report

Mr. Wong indicated that recently the Port has made great strides toward growing its varied numbers of maritime industries and realized the need to develop a maritime industrial plan that will analyze the Port's current and future maritime facility needs. He then directed staff to establish a Maritime Advisory Committee consisting of representatives from organized labor, marine terminal operators, cargo shipping users, other maritime industrial users and the public. The first meeting of the Maritime Advisory Committee will be held on March 2, 2000 at the Port Commission Room at 3 p.m. The meeting is open to the public. The tentative Maritime Advisory Committee members include: Tim Parker of the Metropolitan Stevedore Company; Jim Wiltshire of Marine Terminals Corporation; Ron Duckhorn of Blue & Gold Fleet; Carl Hanson of S.F. Drydock; John Caito of Caito Fisheries; Matt Wypiski of Inchcape Shipping; Capt. Russ Nyborg of the San Francisco Bar Pilots Association; Marina Secchitano of Inland Boatmen's Union; Bill Howard of the ILWU; Rich Smith of Westar Marine Services; William Howard of Berkeley Asphalt; and Capt. Frank Johnston of the US Dept. of Transportation; Tom Escher, Red & White. Mr. Wong indicated that staff looks forward to Commission's input.

4. CONSENT CALENDAR

5. MARITIME

A. Approval of a 30-year lease and a 30-year operating agreement with Big C Traders, Inc. at the Pier 19-23 Bulkhead Building. (The Embarcadero at Filbert Street). (Resolution No. 00-11)

Mr. Peter Dailey, Director of Maritime, indicated that this is an informational item and staff will seek Commission's approval of the lease and operating agreement at the

next Commission meeting. Mr. Dailey indicated that the U.S. Congress established the Foreign Trade Zones in the 1930's to stimulate economic developments in the communities by providing businesses with facilities for conducting their international trade activities. In 1948, the Port of San Francisco received a grant of authority from the U.S. Dept. of Commerce to establish, operate and maintain a foreign trade zone in San Francisco. After a number of years of limited activity at the foreign trade zone, in 1998, the Port Commission approved a five-year lease and an operating agreement with the new operator, Big C Traders, to operate Foreign Trade Zone #3 located in Piers 19-23. Big C has formulated an exciting business plan aimed at revitalizing the foreign trade zone, taking advantage of the recent position of international trade and commerce. In recent years, there were significant increases in marketing of the zone. Staff members of the zone made numerous sales and marketing trips to Asia and in Europe.

In the past two years, Big C Traders studied and analyzed the workings of the foreign trade zone #3 and compared its operations to other zones in the United States. As a result, Big C Traders required a complete overhaul of its approach. Emphasizing the Port's proximity to Silicon Valley and the fantastic growth of E-commerce and the need for ever-faster means of telecommunications and San Francisco's key position as the leading pacific rim trading partner, Big C has approached the Port with a concept to develop foreign trade zone #3 into what Big C Traders refers to as a "virtual foreign trade zone." This concept as envisioned by the operator would provide high-speed Internet access and telecommunication facility for importers/exporters, manufacturing representatives, foreign trade zone missions, U.S. Customs office and others directly involved in the business of foreign trade. In addition to warehouse space and warehouse facilities, Big C proposes to provide fabrication and assembly facilities to foreign companies seeking a "made in the United States" exemption from U.S. Customs duties. Trade show facilities would also be offered along with permanent temporary offices for those firms utilizing foreign trade zone #3 facilities. A container freight station is also envisioned along with an interesting concept, a waterborne freight bus providing a container transit from the East Bay and the Port facilities to a location at Piers 19-23.

Mr. Nic Dempsey, Senior Commercial Leasing Manager, indicated that the proposal outlined by Mr. Dailey would require a complete restructuring of the foreign trade zone. In order to allow for appropriate period of amortization, staff negotiated a lease for Pier 19, Pier 19-23 bulkhead that would allow for a term of 30 years which would allow for a 25-year amortization following the completion of the improvements which is required in the lease to be completed by the end of the third year. In return for this extension of term, Big C Traders has agreed to pay rent to the Port for the next three years consistent with the rent previously approved by this Commission for the five year lease authorized in 1998. Following the completion of the new office space development, the Port will then measure the space inside the Pier bulkhead and Pier 19 to determine which portions of the space are now warehouse. Staff will then apply a rent structure of $.90 per s.f. for the office space, $.25 for the shed space and $.10 for those parts of the apron not dedicated to public access. In essence, the Port will be charging the foreign trade zone office rents for offices that they develop. To overcome this dichotomy, the Port will then return to Big C Traders a rent credit of up to $.70 per s.f. for the first ten years of the lease for that portion devoted to the office,

thereby allowing ten years straight line amortization of rental improvements up to and including $84 per s.f. During the first ten years of the lease following the completion of the office improvements, the Port would then receive, in addition to the base rent, 25% of the net revenues received by Big C Traders for the office space. Following the completion of the amortization period, in year 13, the Port would then receive 50% of all of the net revenues generated by the new office space in the foreign trade zone. The Finance Department of the Port run a cash flow analysis and anticipating a 10%, 5 year CPI and anticipating the minimum 115% rent increases as provided for the lease every ten years, has indicated that this would generate a net cash flow to the Port of $12 million over the lease term. This does not include anticipated increases that would result from increases in rentals of the office space above the $2.50 per s.f. office rental now proposed by Big C Traders. The Port's leasing staff believes that figure is a conservative for waterfront offices, but staff would prefer to remain conservative in its estimates. Based on the solid return to the Port, the Port would recommend approval. He pointed out that should Big C Traders attempt to assign or sublet the entire foreign trade zone to other users, the Port would be entitled to 100% of any consideration given for such assignment or subletting. He also pointed out that the reason Pier 23 is not included, currently encumbered by the Foreign Trade Zone lease, is to allow the Port to maintain its relationship with BCDC regarding the possible future removal of Pier 23 as part of the new approved Bay Plan. The lease would only apply to Pier 23 bulkhead, Pier 19 and Pier 19 bulkhead.

6. REAL ESTATE

7. FACILITIES & OPERATIONS

A. Resolution authorizing the Port of San Francisco to comply with the California Transportation Commission's Environmental and Administrative Requirements for the Downtown Ferry Terminal Project. (Resolution No. 00-12)

Mr. Paul Osmundson, Director of Planning & Development, requested Commission's approval to authorize the Port to comply with the California Transportation Commission's Environmental and Administrative Requirements for the Downtown Ferry Terminal Project.

ACTION: Commissioner Lee moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor; Resolution No. 00-12 was adopted.

8. PLANNING & DEVELOPMENT

A. Informational Presentation by Development Teams submitting proposals for the Pier 45 Shed A San Francisco Bay / Maritime Oriented Public Attraction Project at Fisherman's Wharf.

Mr. Kirk Bennett gave a brief background of the project, the RFP process, the development goals and selection criteria. He then introduced the two development teams: (1) The Bay Center Coalition and (2) San Francisco at the Wharf LLC.

The Bay Center Presenters were as follows:

- Michael Lozeau, Co-Chair, spoke about the coalition's development concept and proposal and enumerated the numerous endorsements the coalition received.

- Denis Henmi, Architect & Executive VP, spoke about the vision of the coalition and the project design.
- Dean Weldon, President Academy Studios, presented the exhibit design.
- Tom Sargent, Partner, Equity Community Builders, presented the development concept.
- Claudia Cohan, Fundraising Consultant, presented the fundraising efforts and issues.
- Clive Jones, Senior Vice President, Economic Research Associates, presented the economic development of the project.
- William Ahern, Executive Director of the California State Coastal Conservancy, spoke about the viability of the project.
- Michael Lozeau, Co-Chair, summarized Bay Center's proposals.

The San Francisco at the Wharf LLC presenters were as follows:

- Milton Maltz, gave a brief background of the company and the viability of their concept.
- Dennis Barrie, gave a brief background of the development team and their experience.
- Patrick Gallagher, explained the dynamics of the project and presented the overall plan.
- Kevin Westlye, Franciscan Restaurant, lent its support to the SFAW.
- Peter Spurney also lent its support to SFAW.
- Milton Maltz summarized the team's development concept.

Assemblyman Kevin Shelly's aide read the enclosed letter of support to the Bay Center's proposal.

The following individuals expressed their support for the Bay Center Coalition's proposal:

- Jennifer Clary, San Francisco Tomorrow
- Aaron Peskin, Telegraph Hill Dwellers
- Margaret Johnson of San Francisco Estuary Institute, read Alissa Arp's comments,
- Meg Reilly, Dolphin Swimming & Boating Club
- Pip Ellis, Blue & Gold
- Bob Miller, Crab Boat Owner's Association
- Tom Creedon, Scoma's
- Phil Lesh, member of the Grateful Dead
- Marsha Mather-Thrift, San Francisco BayKeeper
- Grant Martin
- Warner Chabot, Center for Marine Conservation
- Paul Revier, Save the Bay

- Bill Milestone, Biology Teacher at Lincoln High School,
- Amy Hutzel, Save San Francisco Bay
- Molly Thomas
- Edward Ueber
- Zeke Greder
- Maria Brown

The following individuals expressed their support for the San Francisco at the Wharf's proposal:

- Tom Escher, Red & White Fleet,
- Gladys Hanson, Museum of San Francisco
- Ken Burger, Franciscan Restaurant
- Jeff Heller, Heller Manus/Malrite
- Adam Jones, Franciscan Restaurant
- Beryl Diller, Tower Tours
- Doree Friedman, Fine Line Construction
- Larry Nibbi

Commissioner McWilliams read the following comments into the record:

- Molly Thomas, Institute for Fisheries Resources, wrote that IFR is a San Francisco Bay Area non-profit. Its board is made up of small boat family, fishermen and its mission is to preserve, protect and restore fisheries and their supporting habitats. Its work includes projects that encompass social, economic and environmental factors. One of their largest challenges in this mission is education. This is an unbelievably exciting opportunity to bring a state-of-the-art learning center to the bay Area. With over 50% of California's population living in the Bay Area, the need is apparent and immediate to address the lack of a good source of information on the Bay/Delta Estuary EcoSystem.

- Maria Brown, Farallones Marine Sanctuary Association, wrote that the Farallones Marine Sanctuary Association has bee involved in the Bay Center planning process, has contributed in-kind services and will continue to participate in the development and programming of the Bay Center. A Bay Center that educates and promotes discovery and conservation is essential for preserving the ecosystem that makes San Francisco one of the most desirable place to live and work. A Las Vegas style of development is not what San Francisco residents and businesses want. She urged the Commission to support the Bay Center and demonstrate its commitment to preserving the San Francisco Bay.

- Zeke Gruder, Pacific Coast Federation of Fishermen's Association, wrote that the Pacific Coast Federation of Fishermen's Association representing working commercial fishing men and women in the West Coast commercial fishing fleets supports the Bay Center proposal. As a San Francisco-based group, the largest commercial fishing organization on the West Coast, they believe that the Bay Center is needed to give emphasis to the significance of the most important estuary on the West Coast of North and South America. They have worked for the

upgrading of Pier 45 and Fishermen's Wharf. The Bay Center proposal is consistent with the upgrading and modernization of Fisherman's Wharf. Let's not make Fisherman's Wharf Disneyland or a Las Vegas attraction.

- Edward Ueber, Gulf of the Farallones National Marine Sanctuary, wrote that he strongly supports the Bay Center proposal and the opportunity it affords the Port, City, public and marine awareness. This is the Planet Water – we have the ability to make people understand this and the backing to make it occur.

B. Approval of the Resolution Urging the San Francisco Bay Conservation and Development Commission (BCDC) to Support Legislation to Affirm Any BCDC Action on a Bay Plan Amendment. (Resolution No. 00-13)

Mr. Paul Osmundson, Director of Planning & Development, presented the Commission a status report on the Port and BCDC's efforts to achieve consistency between the Port's Waterfront Plan and BCDC's plan. On December 16, 1999, the Port Commission held a joint public hearing with the BCDC to receive a presentation of a Draft Framework Agreement of amendments to reconcile BCDC and the Port's plans. At a second joint meeting on January 6, 2000, the BCDC approved initiating its process to amend its plans, and set up a Joint BCDC/Port Subcommittee to address unresolved issues concerning the removal of historic pier structures, and the design of the Northeast Wharf Plaza.

Numerous public comments were received at that January 6th meeting. Among them were questions from several BCDC Commissioners as to whether there was adequate legal basis for BCDC to approve the plan amendments proposed in the Draft Framework Agreement, based on a finding that the amendments were in the health, welfare and safety interests of the residents of the Bay Area. After reviewing the pertinent sections of the McAteer-Petris Act, Port Counsel, Noreen Ambrose, and outside counsel, Marc Mihaly, believe that there is an issue as to whether the health, welfare and safety finding provides the necessary foundation for the BCDC to authorize the plan amendments. They also believe that the most direct approach to remedying the situation is to have the State Legislature affirm any ultimate BCDC action on a Bay Plan amendment. Such ratification from the State Legislature would require legislation. In order to meet a State Legislature deadline for submitting proposals for review by the State Legislative Counsel, our counsel drafted legislation. Port staff and counsel do not believe that the legislation interferes with BCDC's discretion, because the legislation only would be effective if the BCDC in fact approves amendments to its plans at the conclusion of the current plan amendment process.

Following the January 6th BCDC/Port joint meeting, Port staff reported the legal concerns to BCDC and Save the Bay, and the risk they potentially pose for upcoming Port development projects. This discussion was followed up with a meeting on January 18th held by BCDC Commissioner Susan Leal, Chair of the BCDC/Port Committee, and was attended by Commissioner McCarthy, at which time the draft legislation was provided to BCDC staff. At that meeting, BCDC Executive Director Will Travis indicated that he would be briefing his Commission at its January 20, 2000 meeting.

Staff acknowledges the unusual step of proposing ratification for a plan that has not yet been approved by BCDC. However, given the significant future development project proposals that would need to rely on the BCDC plan amendments currently contemplated, the presence of any potential for substantive legal challenge of the BCDC plans is of great concern to the Port.

The Port's draft legislation was also sent to the BCDC Commissioners, Save San Francisco Bay Association, and the Attorney General's office to review. At the January 20th BCDC meeting, Executive Director Will Travis provided a briefing on the draft legislation effort. The BCDC expressed grave concerns, questioning the basis for proposing legislation now, the content of the legislation, and its potential to negatively impact the BCDC/Port Committee plan amendment process. Concern was also expressed that the legislation could be altered to undermine BCDC's authority. Port staff answered all questions and concerns to the best of our ability. After much discussion, including a telephone conference with Port Executive Director Doug Wong, the BCDC adopted a motion that "accept[s] the Port's offer to withhold submission of the legislation until they had agreement between both bodies; that [BCDC] schedule a public hearing and vote on such legislation for our next meeting; and that we direct the [BCDC] Executive Director to convey our grave concerns about the procedure that's gone on to the Port and to the Port Commissioners between now and then."

The BCDC continued discussion of the draft legislation to its February 17th meeting. On February 4th, Port staff and legal counsel will meet with BCDC staff and the Attorney General's office to review Port Counsel's legal analysis and discuss possible solutions to ensure a solid foundation for any BCDC plan amendment actions.

Based on the more detailed legal analysis conducted by Port Counsel to date, the Port strongly believes that legislation is needed to provide certainty that the Port and BCDC commitments contemplated in the plan amendments now under public review can be carried out. To that end, staff recommends Commission approval of the attached Resolution No. 00-13 urging the BCDC to support legislation that affirms any ultimate BCDC action on Bay Plan amendments to reconcile BCDC and Port plans for the San Francisco waterfront.

Mr. Osmundson requested Commission's approval of the resolution to urge BCDC to support the legislation affirming BCDC's action on a Bay Plan amendment.

Mr. Will Travis, BCDC Executive Director, indicated that he is encouraged by the meeting last Friday. They have reached a new level of trust and cooperation among all parties. He emphasized the grave concern that the BCDC Commission had when it was reported to them that someone had proposed, without consultation with staff, to amend the law that their Commission operates under. The BCDC Commission unanimously directed him to convey to the Port their grave concern. In order to move forward, Mr. Travis suggested that the best thing to do at this point is to memorialize the agreement that was reached with Port staff i.e. the Port will not move any legislation without concurrence from BCDC. BCDC will work in partnership with the Port and he asked the Port Commission to join them in requesting that Assemblymember Migden also honor that request. Mr. Travis suggested that rather

than adopt the resolution presented to the Commission he requested the Commission to confirm the commitment that the Port's Executive Director has made to his Commission. A public hearing on this matter will be held next week. He hopes that by then, by working with staff, the City Attorney and the Attorney General's office, they will have a piece of legislation that they can move forward that meets everyone's interest.

Aaron Peskin, Telegraph Hill Dwellers, indicated that they are not convinced that this legislation is necessary. If it is necessary, they are convinced that it is premature. He suggested that the current joint Commission of BCDC and the Port first do its business and then move legislation forward if it is indeed necessary. That would help make the various members of the public, the neighborhood groups, the multitude of groups that are involved in the process feel that it's not fixed from the beginning. He encouraged the Commission not to pass the resolution and heed the grave concerns of the BCDC Commissioners.

Jennifer Clary, San Francisco Tomorrow, indicated that this was done inappropriately. A legislation should not be put forward unless everyone is in agreement. The Commission just started a public process and whatever legislation the Commission puts forward should be an outgrowth of that public process. The resolution that the Commission should pass is not to put any legislation forward at this time.

Nan Roth concurred with Jennifer Clary and Aaron Peskin's comments.

Jeff Heller indicated that he was the Chairman of the SPUR Waterfront Committee for the entire period of the Waterfront Plan Amendment and the Plan Development for approximately 6-7 years. SPUR strongly supports the Port's efforts on its long-term plan and they have equal desire to see the Port and BCDC come together on a common ground. If the Port continues to feel that it has some principles that it feels has to carry forward and is having difficulty, SPUR would come forward and support the Commission to its best efforts and hoped that the Commission can get its agreement together. SPUR is understanding of the Port's objectives and supportive of them and the Port can rely on them for any further support.

Mr. Osmundson clarified that the legislation that is being contemplated is a place holder. Staff is looking forward to going before the BCDC Commission on February 17 to explain the need for the legislation. Staff is very pleased to inform the Commission that the Attorney General has agreed that there is a cause for concern which the legislation is the appropriate mechanism to resolve our concerns.

Commissioner McCarthy commented about the process and recommended that the Commission not take action on this item in lieu of the agreement that came out of the meeting on Friday. She recommended that staff continue to move work with BCDC and Save The Bay and hoped that by the February 22nd meeting, the legislation would be in place for the Commission to approve. From the Port's point of view, the legislation is necessary. She noted that time is of an essence; the bill is holding a place in the Legislature so that it could proceed in a timely fashion once a final agreement is reached. Going forward with BCDC and Save The Bay is crucial.

Commissioner McWilliams indicated that it is important that Save The Bay participate and asked staff to send them an invitation informing them that this would be an issue of discussion at the next Commission meeting.

C. Authorization to Issue a Request for Proposals for the Piers 1½ -5 Mixed Use Preservation Project Development Opportunity. (Resolution No. 00-07)

Mr. Kirk Bennett, Waterfront Development Projects Manager, requested Commission's approval to issue an RFP for the Piers 1½ -5 Mixed Use Preservation Project Development Opportunity.

ACTION: Commissioner Hardeman moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor; Resolution No. 00-07 was adopted.

D. Informational Report on Southern Waterfront Activities. **THIS ITEM WAS PUT OVER TO THE NEXT MEETING.**

9. FINANCE & ADMINISTRATION

10. NEW BUSINESS / PUBLIC COMMENT

Jennifer Clary, San Francisco Tomorrow, inquired about the three new sewer pumps included in the budget that was discussed at the last Commission meeting. Mr. Kutnick suggested that Ms. Clary contact Alex Lee, Director of Facilities & Operations, to get an answer to her question.

11. EXECUTIVE SESSION

Items on the Executive Session were put over to the next meeting.

12. ADJOURNMENT

The regular meeting was adjourned at 7:40 p.m.

Assembly
California Legislature

KEVIN SHELLEY

Majority Leader

February 8, 2000

Port Commission of San Francisco

Statement from Assemblymember Kevin Shelley

I am proud to join Senator John Burton, former Lieutenant Governor Leo McCarthy and Robert F. Kennedy Jr. as an Honorable Co-Chair of the Bay Center Project.

The Bay Center's goal to integrate tourists and residents with business and environmental organizations in an effort to promote a better understanding and stewardship of the Bay, Delta and Pacific Ocean Sanctuaries is admirable, and I look forward to helping you reach that goal.

It is not only my role to represent the 12th Assembly District, it is also my responsibility to see beyond this great city and to see the impact of such projects on the state as a whole. This project will promote protection of the Bay, which is but one piece of a much larger aquatic puzzle.

In order to help bring this project to fruition, I am requesting $5 million be set aside in this year's budget. I have always been a strong supporter of the Bay Center's request from the Port Commission and I look forward to the day when we can all benefit from this exciting addition to Fisherman's Wharf.

SACRAMENTO OFFICE • STATE CAPITOL • P.O. BOX 942849, SACRAMENTO, CA 94249-0012 • PHONE: (916) 319-2012 • FAX (916) 319-2112
DISTRICT OFFICE • 455 GOLDEN GATE AVENUE, SUITE 14600, SAN FRANCISCO, CA 94102 • PHONE: (415) 557-2312 • FAX (415) 557-1178
E-MAIL: Kevin.Shelley@asm.ca.gov

SAN FRANCISCO
PORT COMMISSION

SPECIAL MEETING
3:00 P.M., TUESDAY, FEBRUARY 22, 2000
Suite 3100, Ferry Building, S.F. CA 94111

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AGENDA

1. **ROLL CALL**

2. **NEW BUSINESS / PUBLIC COMMENT**

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. It is strongly recommended that public comments be submitted in writing so they can be distributed to all Commissioners for review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

3. **EXECUTIVE SESSION**

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTERS:

a. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (two cases).
___ As Defendant _X_ As Plaintiff

b. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (one case).
_X_ As Defendant ____ As Plaintiff

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Pier 45 Shed A RFP
Person Negotiating: Port of San Francisco: Kirk Bennett, Manager of Waterfront Development Projects

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss responses received for the Pier 45 Shed A RFP.

b. Property: Pier 24-½ (Pier 24 Annex)
Personal Negotiating: Port of San Francisco: Paul Osmundson, Director of Planning and Development
*Metropolis Partners, Inc. & Polatnick Properties: David A. Agger & David Polatnick

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations between the Port and Metropolis Partners, Inc. & Polatnick Properties regarding Port property located at Pier 24-½ (Pier 24 Annex).

c. Property: Rincon Park Restaurant at Folsom and Embarcadero
Person Negotiating: Port of San Francisco: Paul Osmundson, Director of Planning and Development
*Nice Ventures Inc.: Reed Hearon

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations regarding Rincon Park Restaurant at Folsom and Embarcadero.

d. Property: Southern Waterfront
Person Negotiating: Port of San Francisco: Paul Osmundson, Director of Planning and Development
*RMC Lonestar @ Pier 80: Harry Reppart
*ISG Resources, Inc. @ Pier 90: Clint Kurtz
*Bode Gravel/Mission Valley Rock @ Pier 92: Dan Boardman
*British Pacific Aggregates, Corp. @ Pier 94/96: John Chambers
*Waste Management, Inc. Pier 70: Jack Isola
*Grosvenor Bus Lines, Inc. @ Pier 94/96: Ken Marciano

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations with the above-mentioned Southern Waterfront tenants.

4. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

5. ADJOURNMENT

DOCUMENTS DEPT.

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PORT OF SAN FRANCISCO

SAN FRANCISCO PORT COMMISSION

FEBRUARY 22, 2000
MINUTES OF THE SPECIAL MEETING

MEMBERS, PORT COMMISSION

HON. KIMBERLY BRANDON, PRESIDENT
HON. BRIAN McWILLIAMS, VICE PRESIDENT
HON. DENISE McCARTHY
HON. MICHAEL HARDEMAN
HON. PIUS LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE SPECIAL MEETING
3:00 P.M., TUESDAY, FEBRUARY 22, 2000

1. ROLL CALL

Commission President Kimberly Brandon called the meeting to order at 3:05 p.m. The following Commissioners were present: Kimberly Brandon, Brian McWilliams and Pius Lee. Commissioner Michael Hardeman arrived at 3:08 p.m. Commissioner Denise McCarthy was not present.

2. NEW BUSINESS / PUBLIC COMMENT

3. EXECUTIVE SESSION

ACTION: Commissioner McWilliams moved approval to hold closed session; Commissioner Lee seconded the motion. All of the Commissioners were in favor.

At 3:05 p.m., the Commission withdrew to executive session to discuss the following:

CLOSED SESSION

(1) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTER:

a. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (two cases).
___ As Defendant _X_ As Plaintiff

b. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (one case).
_X_ As Defendant ____ As Plaintiff

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR – This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Pier 45 Shed A RFP
Person Negotiating: Port of San Francisco: Kirk Bennett, Manager of Waterfront Development Projects

b. Property: Pier 24-½ (Pier 24 Annex)
Personal Negotiating: Port of San Francisco: Paul Osmundson, Director of Planning and Development

*Metropolis Partners, Inc. & Polatnick Properties: David A. Agger & David Polatnick

c. Property: Rincon Park Restaurant at Folsom and Embarcadero
Person Negotiating: Port of San Francisco: Paul Osmundson, Director of Planning and Development
*Nice Ventures Inc.: Reed Hearon

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations regarding Rincon Park Restaurant at Folsom and Embarcadero.

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*ISG Resources, Inc. @ Pier 90: Clint Kurtz
*Bode Gravel/Mission Valley Rock @ Pier 92: Dan Boardman
*British Pacific Aggregates, Corp. @ Pier 94/96: John Chambers
*Waste Management, Inc. Pier 70: Jack Isola
*Grosvenor Bus Lines, Inc. @ Pier 94/96: Ken Marciano

4. RECONVENE IN OPEN SESSION/ADJOURNMENT

At 4:32 p.m., Commissioners Brandon, McWilliams, Hardeman, and Lee returned from executive session and convened in open session.

ACTION: Commissioner McWilliams moved approval to not disclose any information discussed in executive session; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 4:35 p.m.

SAN FRANCISCO
PORT COMMISSION

REGULAR MEETING
4:00 P.M., TUESDAY, FEBRUARY 22, 2000
Suite 3100, Ferry Building, S.F. CA 94111

AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - February 8, 2000 Special & Regular Meeting

3. **EXECUTIVE**

   A. Executive Director's Report

      (1) Port of San Francisco selects contractor for $9.1 million Downtown Ferry Terminal Project.

4. **FINANCE & ADMINISTRATION**

   A. Informational Presentation on the Economic Impact Report of the Port of San Francisco. (Staff report provided to Commission.)

5. **CONSENT CALENDAR**

6. **MARITIME**

   A. Approval of a 30-year lease and a 30-year operating agreement with Big C Traders, Inc. at Pier 19 and Piers 19-23 Bulkhead Building. (The Embarcadero at Filbert Street). (Resolution No. 00-11) (Staff report provided to Commission.)

7. **REAL ESTATE**

8. **FACILITIES & OPERATIONS**

   A. Authorization to advertise for competitive bids for Construction Contract No. 2658, "Piers 1-½ to 5 Marginal Wharf Repair, Phase I." (Resolution No. 00-14) (Staff report provided to Commission.)

9. **PLANNING & DEVELOPMENT**

   A. Approve Resolution to Support State Legislation to Affirm BCDC Action on Special Area Plan for the San Francisco Waterfront. (Resolution No. 00-15) (Staff report provided to Commission.)

B. Approve Resolution authorizing staff to prepare materials to nominate a Northern Waterfront Maritime Historic District, between Pier 45 and China Basin, to the National Register of Historic Places. (Resolution No. 00-16) (Staff report provided to Commission.)

C. Informational Briefing on Southern Waterfront Activities. (Staff report provided to Commission.)

10. NEW BUSINESS / PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. It is strongly recommended that public comments be submitted in writing so they can be distributed to all Commissioners for review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

11. ADJOURNMENT

Staff Reports: Explanatory Documents available to the public can be reviewed and copied at the Ferry Building, Suite 3100 or by contacting the Port Receptionist at 415-274-0400.

FEBRUARY/MARCH 2000

CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
Feb. 22	3:00 p.m.	Port Commission	Port Commission Room Ferry Building
Feb. 22	4:00 p.m.	Port Commission	Port Commission Room Ferry Building
Feb. 28	5:00 p.m.	Rincon Pt./South Beach CAC Meeting	So. Beach Yacht Club Pier 40
Feb. 29	4:00 p.m.	Redevelopment Agency/ Port Joint Hearing	City Hall Room 250
Feb. 29	4:00 p.m.	Northeast Waterfront Advisory Group	Port Commission Room Ferry Building
March 1	4:00 p.m.	BCDC/Port Commission Committee Meeting	Port Commission Room Ferry Building
March 2	3:00 p.m.	Maritime Advisory Committee	Port Commission Room Ferry Building
March 7	9:00 a.m.	Fisherman's Wharf Waterfront Advisory Group	Scoma's Restaurant Pier 47
March 14	4:00 p.m.	Port Commission	Port Commission Room Ferry Building
March 7	9:00 a.m.	Fisherman's Wharf Waterfront Advisory Group	Scoma's Restaurant Pier 47
March 28	4:00 p.m.	Port Commission	Port Commission Room Ferry Building

NOTES:

The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m. Contact Amy Quesada at 274-0406 to be placed on the mailing list for Commission meeting agenda.

The Fisherman's Wharf Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47, Fisherman's Wharf.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Port Commission Room, Ferry Building.

The Ferry Building Waterfront Advisory Group does not have any scheduled meetings.

The Southern Waterfront Advisory Group meets regularly on the 2nd Monday of the month at 5:30 p.m. in the Port Commission Room, Ferry Building.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Tiffany Bohee at 749-2481 for more information.

Port Website

Check out the Port's Website at **www.sfport.com**

Questions/Contacts

Pier 45 Advisory Group	Kirk Bennett	274-0545
Northeast Waterfront Advisory Group	Kirk Bennett	274-0545
Ferry Building Waterfront Advisory Group	Alec Bash	274-0539
Bryant Street Pier Advisory Group	Anne Cook	274-0483
Southeast Waterfront Advisory Committee	Braj Norris	274-0540
Port of San Francisco Reception	Liz Fitzgerald	274-0400

ACCESSIBLE MEETING INFORMATION

The Port Commission office is located on the third floor of the Ferry Building, Suite 3100. The Port office is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) will be available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market and Spear Streets. Accessible MUNI lines serving the Ferry Building are the 9, 31, 32 and 71. For more information about MUNI accessible services, call 923-6142.

Accessible parking is provided in the small parking lots adjacent to the Ferry Building; three spaces in the north lot and two spaces in the south lot. These spaces are usually full during business hours. Due to the ongoing construction of the Mid-Embarcadero Roadway Project there are currently no curbside passenger unloading and loading areas. The area of the north parking lot adjacent to the north building entrance should be used for this purpose. Parking is available at Rincon (Spear between Mission & Howard), One Market Plaza (Spear between Market & Mission), Embarcadero Center 4 (Clay between Davis & Drumm) and 50 California Garage (Sacramento between Davis & Drumm).

There are two accessible entrances into the World Trade Center (north wing of the Ferry Building); one on the north and the main entrance on the west (Embarcadero). The west entrance is provided with two doors in series that can be operated automatically. Both entrances lead to the elevator lobby. The two elevators are accessible and lead to the third floor location of the Port of San Francisco's office, Room 3100. The ramp from the lobby to the third floor is too steep to be considered an accessible path of travel. Public restrooms and drinking fountains on the first floor of the World Trade Center (north wing of the Ferry Building) are accessible, as well as the central restrooms within the Port's office area.

Assistive listening devices are available for use in the Port Commission Meeting. The following services are available on request 72 hours prior to the meeting: (1) American Sign Language Interpreters; (2) A Sound Enhancement System; (3) The use of a reader during the meeting and (4) copies of the agenda or minutes of the meeting in alternative formats. Please contact Kevin Jensen, the Port's ADA Coordinator at (415) 274-0555. Late requests will be honored if possible. Please contact the Commission Secretary at (415) 274-0406 should you require large print of the agenda.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, please contact Rachel Arnstine O'Hara, Clerk of the Sunshine Ordinance Task Force at 554-6171; fax 554-6177, City Hall, Room 362, One Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683. Her e-mail address is Rachel_ArnstineO'Hara@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Ordinance Task Force, the San Francisco Public Library and on the City's Website at www.ci.sf.ca.us.

San Francisco Lobbyist Ordinance

Attention: Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Admin. Code 16.520 – 16.534) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, #701, San Francisco, CA 94102, phone (415) 554-9510 or fax (415) 703-0121 and web site http://www.ci.sf.ca.us/ethics/.

PORT OF SAN FRANCISCO

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MEMORANDUM

February 22, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Report on the Economic Impact of the Port of San Francisco

Background

On December 17, 1998, the Port Commission authorized the issuance of a Request for Proposals ("RFP") to hire a Consultant to Prepare an Economic Impact Report by Resolution No. 98-115. The RFP was issued on December 28, 1998 and a pre-proposal conference was held at the Port office on January 11, 1998. Four proposals were received on January 28, 1999 and all four respondents were selected to be interviewed.

On March 23, 1999, the Port Commission authorized staff to award the contract to Martin Associates by Resolution No. 99-22. Martin Associates was established in 1985 and specializes as transportation economic consultants. They have extensive experience with a wide variety of port clients including the Ports of Oakland, Seattle, Portland, Vancouver, Baltimore, Houston, Richmond (VA) and Port Everglades (FL). Their Bay Area experience includes the San Francisco Airport, the San Jose Airport and the Oakland Airport and Port.

This Print Covers Calendar Item No. 4A

Purpose of Economic Impact Report

The purpose of the Economic Impact Report is to describe the Port's role in the regional Bay Area and San Francisco economies, and to develop a model that the Port can use to test the sensitivity impacts of future development. Martin Associates has developed baseline impacts by Port lines of business, which include the following sectors:

- Offices
- Industrial
- Retail/Tourism
- Marine Cargo
- Ferrie/Marinas
- Ship Repair
- Cruise
- Fishing
- Port Administration
- Construction
- Film and Television Permits

The impacts of each category will be measured in terms of jobs (direct, induced and indirect), personal income, business revenue, and state and local taxes. The impact measurements are described as follows:

- *Direct Jobs* are the jobs reported by Port tenants as paid employees. They also include jobs that would not exist if Port operations were to cease. For example, direct jobs created by marine cargo activity at the Port include those jobs with the firms directly providing cargo handling and vessel services, including trucking companies, terminal operators and stevedores, members of the ILWU, freight forwarders and customs house brokers, vessel agents, and pilots and tug assist companies.

- *Induced Jobs* are jobs created by the purchases of goods and services by those individuals directly employed. These jobs are based on the local purchasing patterns of Bay Area residents. The induced jobs include jobs with grocery stores, restaurants, health care providers, retail stores, the local housing/construction industry, transportation services, and wholesalers providing goods to the retail industry.

- *Indirect Jobs* are created as a result of purchases for goods and services by the firms directly impacted by the Port. Such firms include real estate tenants, ship repair facilities, and the firms providing services to cargo and cruise passenger operations. The indirect jobs are measured based on actual local purchase patterns of the directly dependent firms, and occur in such industries as utilities, transportation services, office supplies, raw materials suppliers, maintenance and repair, and construction.

- *Personal Income* consists of wages and salaries received by those directly employed by Port activity. *Indirect personal income* measures the wages and salaries received by those indirectly employed by Port activity. They are used to measure the respending impact (or personal consumption activity) in the Bay Area.

- *Business* Revenue consists of total business receipts by firms providing services in support of the Port business lines identified above.

- *State and Local Taxes* include taxes paid by individuals as well as firms dependent upon Port cargo, cruise, ship repair and real estate activity.

Methodology

Port staff provided Martin Associates with a list of Port tenants to survey for the report. In addition, Executive Director Doug Wong sent a letter to each Port tenant requesting their cooperation with Martin Associates in their survey endeavors. It is important to note that Port tenants were guaranteed that all information would be kept in the strictest confidence and will not be available to Port staff or to any party other than the employees of Martin Associates. Only informational summaries of broad industry groups are used in the final report.

Martin Associates interviewed 821 tenants and subtenants of the Port. This represents a 100% response rate from Port tenants. Each firm surveyed provided Martin Associates with detailed employment levels (full time and part time), annual payroll, local purchases and the zip code where each employee resides. In addition, Martin Associates interviewed another 50 maritime services companies such as freight forwarders, steamship companies, and cruise companies that provide maritime services to the Port.

Summary of Findings

Nearly 30,000 direct, induced and indirect jobs were generated by activity at the Port of San Francisco. Of these employees, 9,699 jobs were directly generated by Port activity. As the result of the local purchases for goods and services by these individuals, 5,166 induced jobs were supported in the Bay area. Finally, as the result of the purchases by the firms directly dependent upon the Port, 14,483 indirect jobs were created in the Bay Area with suppliers of goods and services.

A total of $1.1 billion of personal income and consumption expenditures were created in the Bay Area by activity at the Port of San Francisco. The 9,699 directly employed residents of the Bay Area received $337.9 million of direct wages and salaries, for an average salary of nearly $34,900 annually. As the result of local purchases made with this direct wage and salary income, an additional $336.9 million of local purchases and income were generated in the Bay Area. These local purchases supported the 5,166 induced jobs in the Bay Area as well as the salaries paid to the induced job-holders. Finally, the 14,483 people indirectly employed by Port activity earned $387.7 million in wages and salaries.

Residents of the City and County of San Francisco received $371.8 million of personal income from Port activity.

A total of $1.7 billion in revenue was generated by Port activity. This revenue includes the value of goods and services sold by Port tenants, the revenue earned by businesses directly dependent on Port cargo, cruise, ship repair, and fishing operations, and revenue generated by the construction activity and other miscellaneous activities occurring on Port property.

More than $727.3 million of local purchases were made by Port tenants and businesses directly dependent on Port cargo cruise ship repair, and fishing operations.

State and local governments received $120.1 million of tax revenue from Port activity. This includes sales tax, employment tax, income taxes paid by employees, business taxes, property taxes, and transportation taxes. Of the $120.1 million, $18.9 million in tax revenue went to the City and County of San Francisco.

The following table summarizes the economic impacts of the Port:

IMPACT MEASURES	SAN FRANCISCO	BAY AREA
JOBS		
Direct	5,399	9,798
Induced	2,871	5,211
Indirect	NA	14,522
TOTAL	8,270	29,531
INCOME ($1,000)		
Direct	$187,657	$340,585
Induced	$187,132	$339,631
Indirect	NA	$388,728
TOTAL	$374,789	$1,068,944
REVENUE ($1,000)	$1,677,912	$1,677,912
LOCAL PURCHASES ($1,000)	NA	$728,981
STATE AND LOCAL TAXES ($1,000)		
State	NA	$94,176
Local	$19,130	$26,614
TOTAL	$19,130	$120,790

Full details by business line are included in the Economic Impact Report that has been included with this report.

Prepared by: Stephanie Downs, Finance Manager

PORT OF SAN FRANCISCO

Ferry Building
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MEMORANDUM

February 17, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian Thomas McWilliams, Vice-President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: APPROVAL OF 30 YEAR LEASE AND A 30 YEAR OPERATING AGREEMENT WITH BIG C TRADERS AT PIER 19 AND THE PIER19-23 BULKHEAD BUILDINGS (THE EMBARCADERO AT FILBERT STREET)

DIRECTOR'S RECOMMENDATION: APPROVE 30 YEAR LEASE AND 30 YEAR OPERATING AGREEMENT FOR BIG C TRADERS.

BACKGROUND:

By a Grant (the "Grant") dated March 10, 1948, and pursuant to the authority granted to it by the United States Congress (48 Stat.998; U.S.C.A. Title 19, § § 81a – 91u), the Foreign Trade Zone Board granted to the Port Commission through the Port's predecessor, the Board of State Harbor Commissioners for the Port of San Francisco, the right to establish, operate and maintain a Foreign Trade Zone in San Francisco, California. By an agreement entitled "Foreign Trade Zone #3 Operating Agreement" (The "Operating Agreement") dated March 30, 1998 (Port Commission Resolution No. 98-28), the Port Commission granted to Big C Traders. ("Big C Traders"), the right to operate Foreign Trade Zone #3 under the terms and conditions of the Grant. Concurrent with its approval of the Operating Agreement, the Port Commission approved entering into a five (5) year lease ("Lease No. L-12569) with Big C Traders for the Foreign Trade Zone #3 location at Piers 19-23. (Port Commission Resolution No. 98-28).

This Print Covers Calendar Item No. **6A**

Since that time Big C Traders has studied and analyzed the workings of Foreign Trade Zone #3 and compared its operation to those of other Foreign Trade Zones in the United States and comparable facilities in Europe and Asia. As a result of these studies, Big C Traders believes that the success of Foreign Trade Zone #3 requires a complete overhaul of its approach to trade generation.

When Big C Traders assumed control of Foreign Trade Zone #3 from the previous operator, Foreign Trade Services, Inc., the Piers 19-23 facility housing Foreign Trade Zone #3 consisted primarily of warehousing services and storage space for importers and exporters. Office space was available to these users, some of it in "temporary" portable office trailers.

Emphasizing the Port's proximity to "Silicon Valley", the fantastic growth in e-Commerce, the need for ever faster means of telecommunication and San Francisco's key position as a leading Pacific Rim trading partner, Big C Traders has approached the Port with a proposal to develop at Foreign Trade Zone #3 what Big C Traders refers to as a "Virtual Foreign Trade Zone."

The Virtual Foreign Trade Zone envisioned by Big C Traders would provide high speed internet access and telecommunication facilities for importers, exporters, manufacturing representatives, foreign trade missions, the U.S. Customs Office and others directly involved in the business of foreign trade. In addition to warehouse space and warehousing facilities, Big C Traders proposes to provide fabrication and assembly facilities to foreign companies seeking a "Made in U.S.A." exemption from U.S. Customs duties. Trade show facilities would be offered along with permanent and temporary offices for those firms utilizing the Foreign Trade Zone #3 facilities. A container freight station ("C. F. S.") is also envisioned along with a water borne freight "bus" providing container transit from the East Bay and Port of San Francisco locations to Piers 19-23.

This effort to create a virtual Foreign Trade Zone will involve the demolition and redevelopment of up to 50,000 square feet of new Office Space (of which 10,000 square feet will be incremental to the existing office space in the Foreign Trade Zone) inside the Pier 19-23 Bulkhead facility as well as other significant improvements to the warehousing operation. The expenditure for this new development is estimated by Big C Traders to be in excess of $5,000,000.00. In order to provide affordable office and warehousing services to its customers the new Lease and Foreign Trade Zone Operating Agreement, a twenty eight (28) year period from the date of completion of the new improvements in which to amortize this substantial investment is required.

Pier 23 is currently the subject of the existing 5 year lease with Big C Traders. The ongoing efforts to update the BCDC Special Area involves the potential removal of the Pier 23 shed building as part of the overall program of pier removal and open space improvements. Until the plan is completed, Port staff believes that it is inappropriate to commit to any additional lease terms beyond the remaining 3 years of the existing Lease. The Pier 23 shed is therefore not included in the Premises that is the subject of this proposed Lease No. L-12853.

To that end Port staff and Big C Traders have negotiated the terms of a new Lease (Lease No. L-12853) and a new Operating Agreement on the following terms and conditions.

Lease No. L-12853

Tenant:	Big C Traders, a California corporation
Premises:	Pier 19 and the Pier 19-23 Bulkhead Buildings (approximately 158,560 square feet of interior space and 49,680 square feet of adjacent pier aprons.
Terms:	30 years.
Commencement Date:	March 1, 2000
Termination Date:	February 28, 2030
Base Rent:	For the period March 1, 2000 through February 28, 2001 $18,480.00 per calendar month; For the period March 1, 2001 through February 28, 2003 46,454.00 per calendar month; The total of rents to be paid for this period are equal to the rents that would have been received pursuant to the Port's existing lease with Big C Traders set to expire on March 31, 2003.

Following the completion of the New Office Space, the rent will be adjusted to reflect the total amount of Office, Shed and Apron Space comprising the Premises at rates equal to the median rental rate pursuant to the then effective Port Commission approved Maritime Rental Rate Schedule for each such use. Similar Maritime Rental Rate Schedule adjustments are made every ten (10) years (i.e. 2013, 2023) except for the last two years of the term. A minimum fifteen percent (15%) adjustment is required by the Lease.

In addition to the ten (10) year adjustment discussed above, a CPI based adjustment will be made every five (5) years during each intervening 10 year period.(i.e. 2008, 2018, 2028).

Please note that this CPI adjustment is made only in between each 10-year adjustment.

At the end of the third lease year, the Port shall measure the Premises to determine how many rentable square feet of the Premises consist of Office Space; how many rentable square feet of the Premises consist of Shed Space and how many rentable square feet of the Premises consist of Pier Apron Space.

For purposes of this Lease "Office Space" shall mean any portion of the Premises with walls ceilings and floors, with or without

windows, designed to accommodate any of the administrative office uses, trade show display rooms, conference rooms, teleconferencing centers and the canteen permitted in Section 1.8 of the Lease. Each floor of Office Space (including any mezzanine level Office Space), shall be separately measured. For purposes of this Lease "Shed Space" shall mean the balance of the Premises within the building area on the Premises not dedicated to Office Space. For purposes of this Lease "Apron Space" shall mean those portions of the Premises not occupied by buildings. For purposes of this Lease "rentable square feet" means the actual square footage area of the Office Space, Shed Space or Apron Space, using the Building Owners and Managers Association International ("BOMA") standard for office and/or industrial measurement.

(a) Following the Port's measurement of the Premises, the Base rent shall be adjusted as of March 1, 2003 to reflect the application of the following formula:

i) For each square foot of Office Space: the greater of $0.90 or the then median monthly rental rate for Office Space pursuant to the then current Port Commission approved Maritime Rental Rate Schedule; plus
ii) For each square foot of Shed Space: the greater of $0.25 or the then median monthly rental rate for Shed Space (or Warehouse Space) pursuant to the then current Port Commission approved Maritime Rental Rate Schedule; plus
iii) For each square foot of Apron Space not dedicated to public access, the greater of $0.10 or the then median monthly rental rate for Apron Space not dedicated to public access pursuant to the then current Port Commission approved maritime Rental Rate Schedule.

(b) Effective March 1, 2008, the Base Rent shall be adjusted for the succeeding five (5) Lease Years in direct proportion to the percentage increase in the Current Index over the Base Index. In no case shall the Base Rent, as adjusted be less than the Base Rent, for the Lease Year immediately prior to March 1, 2008. If the Current Index has increased over the Base Index, the adjusted Base Rent for the period March 1, 2008 through February 28, 2013 shall be determined by multiplying the Base Rent for the Lease Year immediately prior to March 1, 2008 by a fraction, the numerator of which is the Current Index, and the denominator of which is the Base Index, as follows:

$$\frac{\text{Current Index}}{\text{Base Index}} \times \text{Previous Base Rent} = \text{Adjusted Base Rent}$$

(c) Effective as of March 1, 2013, the Base Rent shall be adjusted for the succeeding five (5) years to reflect the application of the following formula:

i) For each square foot of Office Space: a sum equal to the then median monthly rental rate for Office Space pursuant to the then current Port Commission approved Maritime Rental Rate Schedule; plus
ii) For each square foot of Shed Space: a sum equal to the median monthly rental rate for Shed Space (Warehouse Space) pursuant to the then current Port Commission approved Maritime Rental Rate Schedule; plus
iii) For each square foot of Apron Space not dedicated to public access: a sum equal to the then median monthly rental rate for Apron Space pursuant to the then current Port Commission approved Maritime Rental Rate Schedule.

In no event shall the Base Rent for the five (5) year period commencing March 1, 2013 be less than One Hundred Fifteen percent (115%) of the Base Rent for the preceding Lease Year.

(d) Effective March 1, 2018, the Base Rent shall be adjusted for the succeeding five (5) Lease Years in direct proportion to the percentage increase in the Current Index over the Base Index. In no case shall the Base Rent, as adjusted be less than the Base Rent, for the Lease Year immediately prior to March 1, 2018. If the Current Index has increased over the Base Index, the adjusted Base Rent for the period March 1, 2018 through February 28, 2023 shall be determined by multiplying the Base Rent for the Lease Year immediately prior to March 1, 2018 by a fraction, the numerator of which is the Current Index, and the denominator of which is the Base Index, as follows:

$$\frac{\text{Current Index}}{\text{Base Index}} \times \text{Previous Base Rent} = \text{Adjusted Base Rent}$$

(e) Effective as of March 1, 2023, the Base Rent shall be adjusted for the succeeding five (5) years to reflect the following formula:

iv) For each square foot of Office Space: a sum equal to the then median monthly rental rate for Office Space pursuant to the then current Port Commission approved Maritime Rental Rate Schedule; plus
v) For each square foot of Shed Space: a sum equal to the then median monthly rental rate for shed space (Warehouse Space) pursuant to the then current Port Commission approved Maritime Rental Rate Schedule; plus

vi) For each square foot of Apron Space not dedicated to public access: a sum equal to the then median monthly rental rate for Apron Space pursuant to the then current Port Commission approved Maritime Rental Rate Schedule.
In no event shall the Base Rent for the five (5) year period commencing March 1, 2023 be less than One Hundred Fifteen percent (115%) of the Base Rent for the preceding Lease Year.

(f) Effective March 1, 2028, the Base Rent shall be adjusted for the succeeding and remaining two (2) Lease Years in direct proportion to the percentage increase in the Current Index over the Base Index. In no case shall the Base Rent, as adjusted be less than the Base Rent, for the Lease Year immediately prior to March 1, 2028. If the Current Index has increased over the Base Index, the adjusted Base Rent for the period March 1, 2028 through February 28, 2031 shall be determined by multiplying the Base Rent for the Lease Year immediately prior to March 1, 2028 by a fraction, the numerator of which is the Current Index, and the denominator of which is the Base Index, as follows:

$$\frac{\text{Current Index}}{\text{Base Index}} \times \text{Previous Base Rent} = \text{Adjusted Base Rent}$$

Participation Rent:

Foreign Trade Zone Users: During the first 10 years following completion of all Office Space (March 1, 2003 through February 28, 2013) the Port will be entitled to 25% of the Office Space sublease profits. During the last 17 years of the Term the Port will be entitled to 50% of all New Office Space sublease profits. (§21.8) Allowances are made for Big C Traders' reasonable and customary operation and property management costs. Big C Traders will provide audited financial statement that summarize all cost that would be offset against office space rents, including :

(a) The then-existing Base Rent payable by Tenant,
(b) Utility services provided to the subtenant,
(c) Verifiable, reasonable, and customary brokerage commissions, as amortized over the term of the affected sublease pursuant to standard property accounting principles,
(d) Tenant Improvements and Alterations, as amortized over the term of the affected sublease pursuant to standard property accounting principles,
(e) Verifiable, reasonable and customary lease concessions, as amortized over the term of the affected sublease pursuant to standard property accounting principles,
(f) The reasonable value of any trade fixtures conveyed by Tenant, as amortized over the term of the affected sublease pursuant to standard property accounting principles, and

(g) To the extent verifiable, reasonable and customary, all other expenses actually paid or obligations actually incurred; and
(h) A property management fee not to exceed ten percent (10%) of the gross sublease revenues.

Impact on Port's Financial Statement:

The proposed lease provides for the automatic termination of Lease No. L-12569 now affecting the Pier 19 –23 premises and approved by the Port Commission in 1998. That lease provided for annual rent increases over its five year term. Standard property accounting practices require that this ramped up system of rent increases, in effect, be leveled so that, for accounting purposes, the total rent to be received is amortized evenly throughout the five year term. This accounting method has no effect on cash flow. It is a non-cash accounting accrual that must be recorded to conform to generally accepted accounting principles. Accordingly, rents not applied during the initial years because the actual obligation is lower than the level rate are, "accrued" and the excess (over the assumed level rent) rents received in later years are applied to that accrual. The termination of Lease L-12569 will result in a write-off of approximately $400,000.00 of "accrued" rents. It is important to note that these "accrued" rents are not currently due to the Port, but have been accrued for accounting purposes only.

A new three (3) year lease for the portion of Pier 23 not affected by this Lease will be entered into within Port Commission Maritime rent parameters with rent credits for a new roof ($210,000) and paint ($90,000).

Permitted Use:

The Premises shall be used to conduct the operation of a Foreign Trade Zone in accordance with Big C Traders' rights and duties under the Operating Agreement, including without limitation, product manufacturing and assembly; bonded warehousing; a container freight station ("CFS"), administrative office use by those engaged in foreign trade as their sole activity on the Premises either as importers, exporters, distributors, wholesalers, trade representatives, brokers, marine insurers, United States of America and foreign country trade missions, manufacturers' representatives, admiralty law offices; and such other foreign trade entities as may be reasonably approved in writing by Port; conference rooms; office suites; stenographic services; copying centers; trade show display rooms; teleconferencing centers; telecommunication facilities, including without limitation, up to three satellite dish antennae each of up to three (3) meters in diameter, up to three (3) co-location Monopole wireless communication antennae and related transmission facilities; and other foreign trade related uses as may be reasonably approved by Port; Agent and Invitee parking; a catering kitchen, and administrative offices necessary for the administration of the Premises and the day to day management of

	the Foreign Trade Zone uses outlined above and for no other use without the prior written consent of the Port Commission, which consent may be given, withheld, or conditioned in its sole discretion. Big C Traders shall not use the Premises for (i) office uses or any other use not directly connected to Foreign Trade Zone activities, as permitted in the Operating Agreement (ii) for retail purposes or (iii) for the sale of goods and services to the general public other than as permitted in the Operating Agreement. Nothing in the Lease shall preclude the Port from leasing other Port facilities to other users for Foreign Trade Zone activities, or from establishing subzones, annexes or extensions of Foreign Trade Zone #3 outside the Premises. As a courtesy to Big C Traders, Port shall inform Tenant concerning Port's substantive negotiations with other users contemplating a lease of other Port property(ies) for Foreign Trade Zone activities.
Maintenance and Repairs:	Except for the pier pilings and substructure and the pier fendering systems, all other items of repair and maintenance to the Pier 19-23 facility will be the sole responsibility of Big C Traders throughout the 30 year Term.
Rent Credits for Needed Repairs:	A one time rent credit will be available in the first three years for the replacement of the facility roof, the painting and waterproofing of the exterior walls and placing all roll-up doors in good and serviceable condition. A maximum rent credit of $20,000 is available for roll-up door repairs. A maximum of $480,000 is allowed for the new roof. A maximum of $165,000 is allowed for painting and waterproofing of the exterior shell. (Note: Standard real estate industry practice would place this responsibility on the Landlord. Budget and human resource considerations dictate that these costs be expended by the Tenant subject to reimbursement via the Port Commission approved Rent Credit Policy).
Rent Credits for Repairs and Maintenance Otherwise the Obligation of the Port	Rent credits are available for the reasonable costs of repairs and maintenance which are the obligation of the Port under the terms of the Lease, but which the Port is unable to effect due to fiscal or human resource considerations. No such rent credit may exceed $10,000.00 without Port Commission approval.
Utilities and Services:	All utilities, (e.g. gas, electric, telecommunication, water and sewer) and all services (e.g. garbage and refuse collection, pest and vector abatement, janitorial services, etc.) are the sole responsibility of Big C Traders (§§ 1.10 and 12).
Assignment and	Assignment and subletting of the Premises to other than

Subletting: Foreign Trade Zone users is permitted only with the approval of the Port Commission (§ 21).

Subletting for Foreign Trade Zone Uses: The Port acknowledges that it is a function of a Foreign Trade Zone to provide offices, warehouse space, CFS space, manufacturing and assembly facilities, office services, warehouse services, berthing and stevedoring services and similar Foreign Trade Zone services to others on both a contract and a sublease basis. Accordingly, Big C Traders will be permitted to sublease space in the Premises and to contract warehouse services, office services, berthing and stevedoring services and other services directly related to the operation of a Foreign Trade Zone to third parties provided Big C Traders first satisfies the following conditions:

(a) Not less than thirty (30) days prior to the commencement of any such sublease or service contract, Big C Traders shall deliver to the Port a copy of the fully executed sublease or service contract along with:

i) The name and address of the subtenant or contracting party;
ii) The names of the principals and/or corporate officers of the subtenant and/or contracting party;
iii) The name and address of the California Agent Service of Process of any corporation proposed as a subtenant or contracting party;
iv) copy of such subtenant's or contracting party's City and County of San Francisco Business License and if the proposed subtenant or contracting party is a corporation, a copy of such filings as may be from time to time required by the State of California Secretary of State in order to conduct business in the State of California whether by a domestic or a foreign corporation; and
v) Evidence acceptable to the Port that such subtenant(s) and contracting party(ies) maintain such insurance coverages as set forth in Section 17 et seq. of the Lease. All such policies shall provide for coverage of additional insureds identifying the City and the Port as set for forth in Section 17.6 of the Lease; and
vi) A full description of the proposed subtenant's or contracting party's Foreign Trade Zone activities to be conducted in the Premises.
vii) Evidence that the proposed subtenant has the requisite financial resources to support its sublease obligations.

(b) Within thirty (30) days of the Port's receipt of all of the information required hereabove, the Port shall approve or disapprove Big C Traders' proposed sublease or contract in

writing. The Port's approval or disapproval shall not be unreasonably withheld or delayed. Any disapproval of a prospective subtenant or contracting party shall be accompanied by a written statement of the Port's reasonable reasons for such disapproval. The Port may disapprove a proposed subtenant or contracting party on any reasonable ground. Reasonable grounds may include, without limitation, any one or more of the following:

i) that the proposed use of the Premises by the subtenant or contracting party is not consistent with the uses permitted in Section 1.8 of the Lease (Permitted Use);

ii) that the proposed use of the Premises by the subtenant or contracting party is not consistent with the effective operation of a Foreign Trade Zone;

iii) that the nature of the proposed subtenant's or contracting party's intended or likely use of the Premises would involve an increased risk of the use, release or mishandling of Hazardous Materials or otherwise involve an increased risk of fire or other casualty;

iv) that the business reputation or character of the proposed subtenant or contracting party or any of its affiliates is not reasonably acceptable to the Port, or

v) the proposed subtenant or contracting party would be in immediate violation of Section 29 (City Requirements) of the Lease.

vi) The proposed subtenant does not have the requisite financial resources to supports its sublease obligations.

(c) Any sublease made pursuant to the Lease shall be in a form substantially in conformance with a Port approved sublease form.

(d) While the Port is entitled to a portion of sublease profits attributable to the sublease of Office Space, Big C Traders may sublet warehouse space and warehousing services to Foreign Trade Zone users without such participation.

(e) Every quarter Bic C Traders must provide the Port with a certified audit and financial statement setting forth the Gross Income, Expenses and the Port's Participation Rent related to the New Office Space.

Port's Right to Sublease And Assignment Profit:

Sublease and Assignment: Except for permitted subletting as described above, the Port shall be entitled to 100% of all sublease profits and/or lease assignment consideration following any subletting or assignment of the entire Premises.

Obligation to Construct Office Space:

As a material consideration of the Port's agreement to enter into the Lease, Big C Traders agrees to construct not less than

30,000 or more than 50,000 square feet of New Office Space in the Pier 19-23 Premises.

Following completion of the Office Space Big C Trader's rent will be adjusted to reflect at least a $.90 per square foot per month rent for the Office Space. In essence the Port will be charging Big C Traders rent for improvements constructed by and paid for by Big C Traders.

Big C Traders will be entitled to a Rent Credit equal to the lesser of (a) Big C Trader's actual "Certified Construction Costs" to design and build the New Office Space divided by the total square footage of New Office Space and further divided by 120; or (b) $.70 per square foot per month for the first 120 months following the third Anniversary Date (March 1, 2003 through February 28, 2013).

As an example, if Big C Traders developed 50,000 square feet of Office Space and the cost to design and construct the Office Space was $3,300,000 ($66.00 per square foot, the New Office Space Rent Credit would be $.55 per square foot per month or $27,500 per month $3,300,000 ÷ 50,000 square feet ÷120 months = $.55 per square foot).

If for further example, Big C Trader's cost to design and construct 50,000 square feet of New Office Space were $4,800,000 ($96.00 per square foot) the Rent Credit would be $35,000 or $.70 per square foot that sum being less than $4,800,000 ÷ 50,000 ÷ 120 = $.80).

The Rent Credit provides a 10 year straight line amortization of Big C Trader's investment in the property and does not take into account the cost of financing.

Cash Flow Projections:

Exhibit B provides the projected revenues to the Port from the proposed Lease. The Port Finance Department prepared a projection of the rental income that the Port could expect to receive for the next 30 years from entering into the proposed lease, as well as a projection of the rental income that the Port could expect to receive for the next 30 years from staying with the existing lease. Since the existing lease expires in the year 2003, staff assumed that at the end of the lease term, the existing lease is renewed and extended for an additional 27 years. This was done in order to match the term of the new proposed lease.
Based on this analysis, there is a net benefit to the Port of approximately $14.6 million over the next 30-year period from entering into the new proposed lease.

Competitive Bidding:

Port Commission policy requires that long-term Maritime agreements be competitively bid unless doing so would prove

impractical or impossible. (Port Commission Resolution No. 80-95). Because Big C Trader's current Operating Agreement, and lease (Lease No. L- 12569) run through March 23, 2003, any immediate redevelopment of the Foreign Trade Zone facilities by others prior to that date would prove impossible. It is essential that the Port take advantage of the current strong economy in the Bay Area. A three-year delay could result in a closing of this economic window of opportunity. Accordingly, Port staff believes that seeking competitive bids for the operation and redevelopment of Foreign Trade Zone #3 would prove impractical and impossible.

Because the maritime nature of the proposed operation as a Foreign Trade Zone is a valid Trust purpose and is a maritime use, the proposed Lease and Operating Agreement are not subject to review by the Board of Supervisors.

Environmental Review: The Office of Environmental Review of the Planning Department of the City and County of San Francisco has determined that the proposed project envisioned by the Lease is "Categorically Exempt" from further environmental review under the California Environmental Quality Act ("CEQA"). A copy of the letter making such determination from the Office of Environmental Review of the Planning Department of the City and County of San Francisco dated January 25, 2000 is on file with the Port Commission Secretary.

Operating Agreement

The proposed Operating Agreement between the Port and Big C Traders mirrors the Operating Agreement with Big C Traders approved by the Port Commission on March 30, 1998 (Port Commission Resolution 98-28). Additional language has been added to include new City requirements. The term of the Operating Agreement reflects the 30-year term of the new Lease. Both the Operating Agreement and Lease No. L-12853 provide for defaults for an uncured breach of the other agreement.

CONCLUSION

The efficient and effective operation of Foreign Trade Zone #3 requires that Big C Traders be able to offer facilities competitive with other foreign trade zones. The development of additional office space will provide the synergy necessary to attract additional customers to Foreign Trade Zone #3 and, through its operation, enhance cargo activity at the Port's container terminals. Port staff recommends Port Commission approval of the Lease No. L-12853 and the accompanying Operating Agreement.

Prepared by: Peter Dailey, Director of Maritime
Nicolas J. Dempsey, Senior Commercial Leasing Manager

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-11

WHEREAS, Section 3.581 of the Charter of the City and County of San Francisco empowers the San Francisco Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port Jurisdiction; and

WHEREAS, by a grant (the "Grant") dated March 10, 1948, and pursuant to the authority granted to it by the United States Congress (48 Stat.998; U.S.C.A. Title 19,§§ 81a-91u), the Foreign Trade Zone Board granted to the Port Commission through the Port's predecessors, the Board of State Harbor Commissioners for the Port of San Francisco, the right to establish, operate and maintain a Foreign Trade Zone in San Francisco; and

WHEREAS, by an agreement, entitled "Foreign Trade Zone #3 Operating Agreement, dated March 30, 1998, the Port Commission granted to Big C Traders, Inc., a California corporation ("Big C Traders"), the right to operate Foreign Trade Zone #3 at Piers 19-23 pursuant to the terms of the Grant; and

WHEREAS, Concurrent with entering into the Operating Agreement, the Port Commission entered into a lease (Lease No. L-12569) with Big C Traders providing for the Lease of Piers 19-23 on which to operate Foreign Trade Zone #3; and

WHEREAS, Big C Traders, since that date, has studied and analyzed the workings of Foreign Trade Zone #3 and compared its operation to those of other Foreign Trade Zones in the United States and comparable facilities in Europe and Asia; and

WHEREAS, Big C Traders has shared the results of its analysis with the Port Commission; and

WHEREAS, Big C Traders' analysis concludes that the viability of Foreign Trade Zone #3 requires the development of additional office space for use by Foreign Trade Zone #3 clients and users ; and

WHEREAS, Big C Traders has proposed a new 30 year Operating Agreement and a new 30 year Lease for Pier 19 and Piers 19-23 Bulkhead permitting the development and financing of such office space; and

WHEREAS, Port staff and Big C Traders have negotiated the terms of an 30 year Operating Agreement and a 30 year Lease providing for the development of new office space in Foreign Trade Zone #3 at Pier 19 and the Piers 19-23 Bulkhead; and

WHEREAS, the Office of Environmental Review of the Planning Department of the City and County of San Francisco has determined that the development permitted under the terms of the proposed lease is "Categorically Exempt" from further environmental review under the California Environmental Quality Act ("CEQA"); and

WHEREAS, a copy of the letter from the Office of Environmental Review of the Planning Department of the City and County of San Francisco determining that the development permitted under the terms of the proposed lease is "Categorically Exempt" from further review under CEQA is on file with the Commission Secretary; and,

WHEREAS, the Port Commission and Big C Traders, collectively, wish to seize the opportunity afforded by current economic conditions and the current in-place Operating Agreement and Lease No. L-12569 with Big C Traders affecting Piers 19-23 and the operation of Foreign Trade Zone #3 would render the competitive bidding of this project impractical and infeasible; now, therefore, be it

RESOLVED, that it is the finding of the Port Commission that the continued use of Pier 19 and the Piers 19-23 Bulkhead as a Foreign Trade Zone and the renovation of existing office space and minor expansion of new office space within the Piers19-23 Bulkhead facility is "Categorically Exempt" from further environmental review under the California Environmental Quality Act ("CEQA") as determined by the Office of Environmental Review of the Planning Department of the City and County of San Francisco; and, be it, further

RESOLVED, that it is the finding of the Port Commission that the Port Commission and Big C Traders, collectively, wish to seize the opportunity afforded by current economic conditions and the current in-place Operating Agreement and lease (Lease No. L- 12569) affecting Piers 19-23 and the operation of Foreign Trade Zone #3 would make competitive bidding of the operation of Foreign Trade Zone #3 and the lease of Pier 19 and the Pier 19-23 Bulkhead for such operation, impractical and infeasible; and, be it further

RESOLVED, that the San Francisco Port Commission hereby approves Lease No. L-12853 with Big C Traders for Pier 19 and the Piers 19-23 Bulkhead on the terms and conditions contained in the Memorandum to the Port Commission for the meeting of February 22, 2000 in substantially the form of such lease on file with the Commission Secretary; and be it further

RESOLVED, that the Port Commission authorizes and directs the Executive Director to execute Lease No L-12853; and be it further

RESOLVED, that the Port Commission authorized the Executive Director to enter into any additions, amendments or other modifications to Lease No. L-12853 (including, without limitation, preparation and attachment of, or changes to, any or all of the exhibits) that the Executive Director, in consultation with the City Attorney, determines are in the best interests of the Port, do not materially increase the obligations or liabilities of the Port, and are necessary or advisable to complete the transactions which the Lease contemplates and effectuate the purpose and intent of this resolution, such determination to be conclusively evidenced by the execution and delivery by the Executive Director of the Lease and any such amendments thereto.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of February 22, 2000.

_____
Secretary

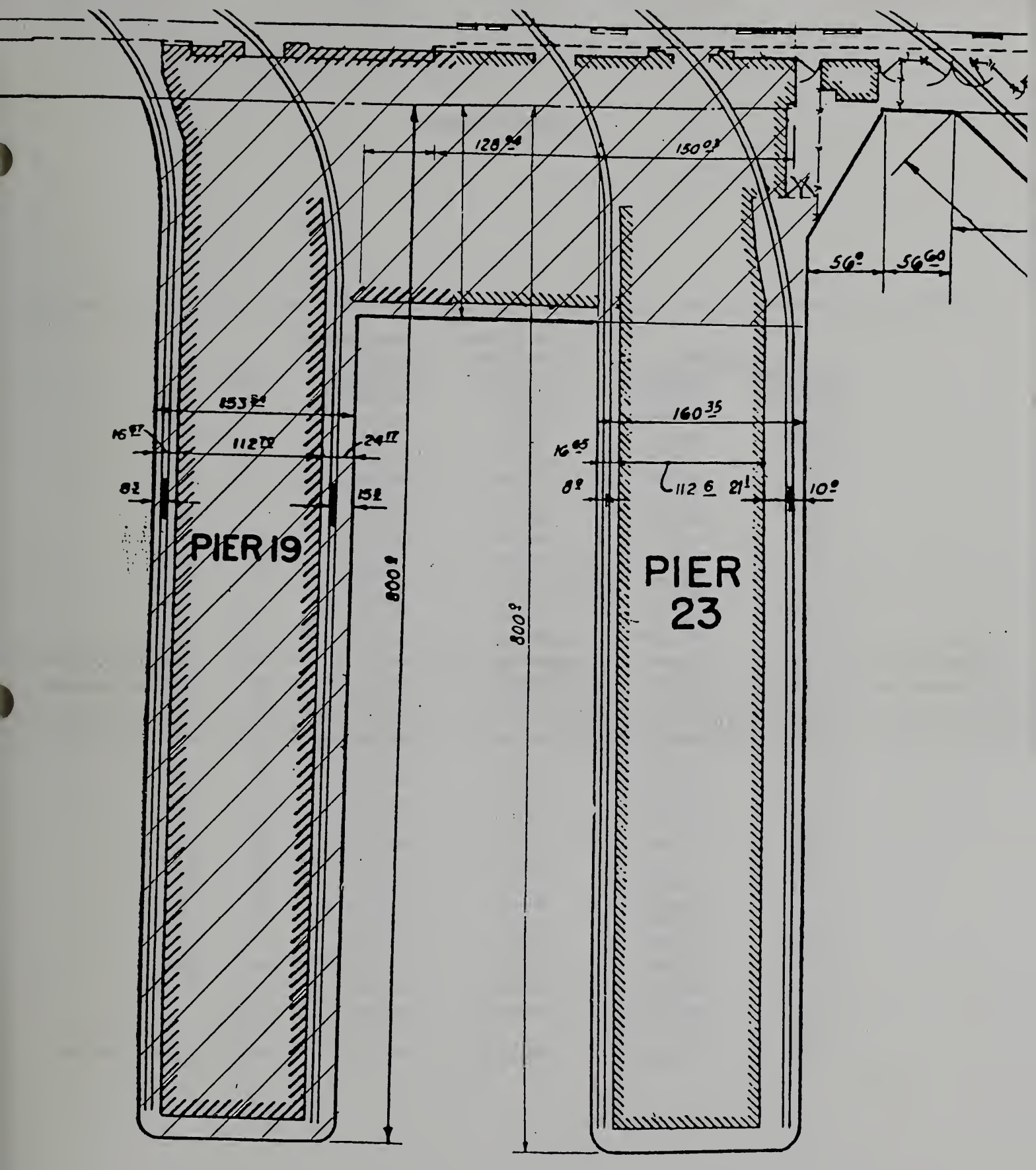
PIER 19
PIER 23
800'
800'
153'-2"
112'-0"
16'-7"
24'-11"
8'-2"
15'-2"
160'-3"
112'-6"
16'-5"
8'-2"
21'-1"
10'-2"
56'-0"
56'-6"

EXHIBIT A

Big "C" Traders

Year	Year #	Proposed Lease Total Rent Paid to Port	Existing Lease Total Rent Paid to Port	Difference Amount	Difference Percentage
2000	1	301,360	482,040	(180,680)	(37.5%)
2001	2	403,932	642,720	(238,788)	(37.2%)
2002	3	403,932	749,832	(345,900)	(46.1%)
2003	4	775,960	566,310	209,650	37.0%
2004	5	885,096	566,310	318,786	56.3%
2005	6	882,096	566,310	315,786	55.8%
2006	7	879,096	810,298	68,798	8.5%
2007	8	876,096	862,307	13,789	1.6%
2008	9	1,020,922	948,538	72,384	7.6%
2009	10	1,017,922	948,538	69,384	7.3%
2010	11	739,462	651,791	87,671	13.5%
2011	12	736,462	651,791	84,671	13.0%
2012	13	733,462	651,791	81,671	12.5%
2013	14	1,514,570	749,560	765,010	102.1%
2014	15	1,508,570	749,560	759,010	101.3%
2015	16	1,502,570	749,560	753,010	100.5%
2016	17	1,496,570	749,560	747,010	99.7%
2017	18	1,487,570	749,560	738,010	98.5%
2018	19	1,652,352	824,516	827,836	100.4%
2019	20	1,600,670	824,516	776,154	94.1%
2020	21	1,591,670	824,516	767,154	93.0%
2021	22	1,582,670	824,516	758,154	92.0%
2022	23	1,573,670	824,516	749,154	90.9%
2023	24	1,853,006	948,193	904,813	95.4%
2024	25	1,844,006	948,193	895,813	94.5%
2025	26	1,835,006	948,193	886,813	93.5%
2026	27	1,826,006	948,193	877,813	92.6%
2027	28	1,817,006	948,193	868,813	91.6%
2028	29	2,031,115	1,043,012	988,103	94.7%
2029	30	2,019,115	1,043,012	976,103	93.6%
	Totals	**38,391,940**	**23,795,945**	**14,595,995**	**61.3%**
NPV of Total Rent Payments		**10,997,971**	**8,166,386**	**2,831,585**	**34.7%**

EXHIBIT B

2/16/00 5:38 PM

Big "C" Traders

Assumptions:

CPI Increase Yr. 2003:	15.00%
CPI Increase Yr. 2008:	10.00%
Maritime Rental Increase Yr. 2013:	15.00%
CPI Increase Yr. 2018:	10.00%
Maritime Rental Increase Yr. 2023:	15.00%
CPI Increase Yr. 2028:	10.00%
Total Leased sq.ft.:	
Years 1-10	303,325
Years 11-30	208,240
Lease Rate /sq.ft. yr 10:	$3.13

Year	Year #	Minimum Base Rent Due to Port	Rent Credit For Repairs	Rent Credit For OfficeSpace	Total Rent Paid to Port
2000	1	482,040	0	0	482,040
2001	2	642,720	0	0	642,720
2002	3	749,832	0	0	749,832
2003	4	862,307	(295,997)	0	566,310
2004	5	862,307	(295,997)	0	566,310
2005	6	862,307	(295,997)	0	566,310
2006	7	862,307	(52,009)	0	810,298
2007	8	862,307	0	0	862,307
2008	9	948,538	0	0	948,538
2009	10	948,538	0	0	948,538
2010	11	651,791	0	0	651,791
2011	12	651,791	0	0	651,791
2012	13	651,791	0	0	651,791
2013	14	749,560	0	0	749,560
2014	15	749,560	0	0	749,560
2015	16	749,560	0	0	749,560
2016	17	749,560	0	0	749,560
2017	18	749,560	0	0	749,560
2018	19	824,516	0	0	824,516
2019	20	824,516	0	0	824,516
2020	21	824,516	0	0	824,516
2021	22	824,516	0	0	824,516
2022	23	824,516	0	0	824,516
2023	24	948,193	0	0	948,193
2024	25	948,193	0	0	948,193
2025	26	948,193	0	0	948,193
2026	27	948,193	0	0	948,193
2027	28	948,193	0	0	948,193
2028	29	1,043,012	0	0	1,043,012
2029	30	1,043,012	0	0	1,043,012
Totals			(940,000)	0	

Total Cash Rent Received by the Port:	**23,795,945**
IRR used:	8.00%
NPV of Rent Payments:	**8,166,386**

New Proposed Lease

Big "C" Traders

Assumptions:

Pier 19 & Pier 23 Bulkhead Space (sq. ft.):		*Pier 23 Apron & Shed* Space (sq.ft.)	
Office	50,000		
Shed	118,560	72,940 *	
Apron	17,500	22,145 *	

* assumed to be removed in yr 11

Sublease Participation Rent	
Years 4 - 14	25.00%
Years 15 - 30	50.00%
Initial Sublease Office Rate	$2.50

Initial Rent/sq. ft.:	
Office	$0.90
Shed	$0.25
Apron	$0.10

CPI Increase Yr. 2008:	10.00%	Initial Oper. Exp.	$0.66	Sublease CPI Increase Yr. 2008	10.00%
Market Rate Increase Yr. 2013:	15.00%	Annual CPI Inc.:	2.75%	Sublease CPI Increase Yr. 2013	15.00%
CPI Increase Yr. 2018:	10.00%			Sublease CPI Increase Yr. 2018	10.00%
Market Rate Increase Yr. 2023:	15.00%	Max Office		Sublease CPI Increase Yr. 20023	15.00%
CPI Increase Yr. 2028:	10.00%	Rent Credit	$0.70	Sublease CPI Increase Yr. 20028	10.00%

Year	Year #	Minimum Base Rent Due to Port	Participate Rent Due to Port	Gross Rent Due Port	Rent Credit For Repairs	Rent Credit For OfficeSpace	Total Rent Paid to Port
2000	1	321,360	n/a	321,360	(20,000)	0	301,360
2001	2	807,864	n/a	807,864	(403,932)	0	403,932
2002	3	807,864	n/a	807,864	(403,932)	0	403,932
2003	4	1,167,096	141,000	1,308,096	(112,136)	(420,000)	775,960
2004	5	1,167,096	138,000	1,305,096	0	(420,000)	885,096
2005	6	1,167,096	135,000	1,302,096	0	(420,000)	882,096
2006	7	1,167,096	132,000	1,299,096	0	(420,000)	879,096
2007	8	1,167,096	129,000	1,296,096	0	(420,000)	876,096
2008	9	1,290,922	150,000	1,440,922	0	(420,000)	1,020,922
2009	10	1,290,922	147,000	1,437,922	0	(420,000)	1,017,922
2010	11	1,015,462	144,000	1,159,462	0	(420,000)	739,462
2011	12	1,015,462	141,000	1,156,462	0	(420,000)	736,462
2012	13	1,015,462	138,000	1,153,462	0	(420,000)	733,462
2013	14	1,166,570	348,000	1,514,570	0	0	1,514,570
2014	15	1,166,570	342,000	1,508,570	0	0	1,508,570
2015	16	1,166,570	336,000	1,502,570	0	0	1,502,570
2016	17	1,166,570	330,000	1,496,570	0	0	1,496,570
2017	18	1,166,570	321,000	1,487,570	0	0	1,487,570
2018	19	1,277,352	375,000	1,652,352	0	0	1,652,352
2019	20	1,234,670	366,000	1,600,670	0	0	1,600,670
2020	21	1,234,670	357,000	1,591,670	0	0	1,591,670
2021	22	1,234,670	348,000	1,582,670	0	0	1,582,670
2022	23	1,234,670	339,000	1,573,670	0	0	1,573,670
2023	24	1,424,006	429,000	1,853,006	0	0	1,853,006
2024	25	1,424,006	420,000	1,844,006	0	0	1,844,006
2025	26	1,424,006	411,000	1,835,006	0	0	1,835,006
2026	27	1,424,006	402,000	1,826,006	0	0	1,826,006
2027	28	1,424,006	393,000	1,817,006	0	0	1,817,006
2028	29	1,569,115	462,000	2,031,115	0	0	2,031,115
2029	30	1,569,115	450,000	2,019,115	0	0	2,019,115
Totals					(940,000)	(4,200,000)	

Total Cash Rent Received by the Port:	**38,391,940**
IRR used:	8.00%
NPV of Rent Payments:	**10,997,971**

Assumptions used in Preparing Projections

The following assumptions were used in the preparation of the cash flow projections for the Big C Trader's lease.

Proposed New Lease:

1) Rents used in years 2000 through 2002 are as follows:

2000	$18,480/mo x 12 mos.
2001	$46,454/mo x 12 mos.
2002	$46,454/mo x 12 mos.

2) The following net rentable square footage numbers, supplied by the Port's senior leasing manager, were used.:

New Office	50,000
Shed	118,560
Apron	17,500

3) Initial monthly rents used in year 2003 were as follows, per the lease:

New Office	90¢/sq.ft.
Shed	25¢/sq.ft.
Apron	10¢/sq.ft.

4) Rents are assumed to increase in the following years, by the percentages shown below:

Yr. 2008	10.0%
Yr. 2013	15.0%
Yr. 2018	10.0%
Yr. 2023	15.0%
Yr. 2028	10.0%

The rent increases assumed for years 2013, and 2028 are the minimum that are required per the lease. The rent increases for years 2008, 2018, and 2028 roughly correspond to a compounded annual increase of 2.0% for 5 years.

5) The initial monthly office sublease rate was assumed to be $2.50 in year 2003. Sublease rents are assumed to increase in the years, and by the percentages shown in Item 3 above.

6) The projections assume that a maximum 50,000 sq.ft. of new office space is developed and leased. A rent credit of 70¢/sq.ft./mo is assumed. The rent credit is provided for 120 months (years 2003 - 2012). This is the maximum rent credit allowed under the lease.

7) A rent repair credit of $940,000 is assumed for years 2000 - 2003. This is the maximum rent credit that is allowed for repairs under the following two leases; the new proposed lease which is the subject of this staff report, and an additional new lease (reference in the staff report) which will cover the Pier 23 shed and apron space. This additional lease has not yet been approved by the Commission, but is expected to begin in March 2000 according the Port's senior leasing manager. The breakdown of the rent repair credit is shown below:

	Current Proposed Lease	Anticipated New Lease	Totals
Roll-up Doors	$ 20,000		$20,000
Roof	$480,000	$205,000	$685,000
Painting & Waterproofing	$165,000	$70,000	$235,000
Total	$665,000	$275,000	$940,000

The total rent repair credit is assumed to be applied as follows: $20,000 in year 2000; $403,932 in years. 2001 & 2002 (this equates to 50% of the rent owed the Port in those years), and $112,136 in year 2003.

8) The Port's participation in the net sublease profits are assumed to be 25% for years 2003 - 2012, and 50% for years 2013 - 2029, per the lease.

9) Initial operating expenses for the new office space are assumed to be 66¢/sq.ft. Operating expenses are assumed to increase by 2.75% annually.

10) It is assumed that the tenant will occupy all of Piers 19 & 23 through the year 2009. Rent for the portion of Pier 23 not covered by the subject lease, which is to be included in the new lease for Pier 23 shed and apron space, is assumed to be:

Years	Amount
2000	$8,300/mo x 12 mos.
2001-2007	$20,868/mo x 12 mos.
2008 - 2009	$22,955/mo x 12 mos. This corresponds to a 10% increase over the 2007 rental rate.

Existing Lease:

1) Upon its expiration, it is assumed that the existing lease will be renewed, at least through year 2029.

2) Total rentable square footage is assumed to be 303,325 for years 2000 - 2009 and 208,240 for years 2010 - 2029. The total rent received by the Port for year 2010 is assumed to be pro-rated based upon the reduced amount of leased space.

3) Total rent is assumed to increase in the following years, by the percentages shown below:

Yr. 2008	10.0%
Yr. 2013	15.0%
Yr. 2018	10.0%
Yr. 2023	15.0%
Yr. 2028	10.0%

These increases are identical to those applicable to the new proposed lease.

PORT OF SAN FRANCISCO

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MEMORANDUM

February 22, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to Advertise for Competitive Bids for the Pier 1-1/2 to 5 Marginal Wharf Repair, Phase I, Construction Contract No. 2658

DIRECTOR'S RECOMMENDATION: TO APPROVE THE REQUEST FOR AUTHORIZATION TO ADVERTISE FOR COMPETITIVE BIDS FOR THE PIER 1-1/2 TO 5 MARGINAL WHARF REPAIR, PHASE I PROJECT

As a result of prior engineering studies, Port staff has found the marginal wharf at Piers 1 ½ through 5 to be in a deteriorating condition and in need of repair. Recently, Port Staff and an Engineering Consulting Team prepared plans and specifications for Phase I of the necessary repairs for the marginal wharf from Piers 1-1/2 to 5. The work under Phase I work is repair of the first bay of the marginal wharf adjacent to the seawall from Pier 1-1/2 to the south wall of the Pier 5 bulkhead. The Phase I work also encompasses related shoring work, and completion of the promenade portion of the Mid-Embarcadero Project adjacent to these Piers (Pier 1 ½ through the south wall of Pier 5). While remaining portions of the marginal in this area also need repairs, such work will be undertaken as part of a future development project(s). Port staff seeks Commission approval for the advertising of bids for the construction contract for these Phase I repairs.

With regard to funding, the Port is currently negotiating a MOU agreement with DPW, whereby the Port expects to receive $1.0 million from the Mid-Embarcadero Roadway Project to assist in the funding of the Phase I marginal wharf repair work, promenade work, and related shoring work. The Port will fund any additional repair costs above $1.0 million.

This Print Covers Calendar Item No. 8A

A Commission resolution dated September 17, 1997 authorized a supplemental appropriation of $2,000,000 for the marginal wharf repairs. These funds will be utilized to pay for construction costs that exceeds $1,000,000 expected from DPW, and to pay for design costs. The engineer's current cost estimate for the construction work is $1,195,547. Funds remaining after payment of final costs for design and construction will be returned to the Capital Plan to be used for other capital projects requiring funding.

The plans and specifications for this project have been reviewed and approved by Caltrans.

Therefore, Port staff requests authorization for advertising of competitive bids for this construction project to effect repairs to the marginal wharf at Pier 1 ½ through 5, as outlined above.

Prepared by: Victor Yew
Associate Civil Engineer

For: Cliff Jarrard
Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-14

WHEREAS, Port Staff and an Engineering Consulting Team have plans and specifications for necessary repairs to the marginal wharf from Piers 1-1/2 to 5, and

WHEREAS, sufficient funding exists for undertaking the first portion of the repair work as Phase I, and

WHEREAS, the work under Phase I is limited to the repair of the first bay of marginal wharf adjacent to the seawall from Pier 1-1/2 to the south wall of the Pier 5 bulkhead, and

WHEREAS, the remainder of the repair work for the marginal wharf will be undertaken as part of a future development project(s), and

WHEREAS, the Phase I work will also include completion of the promenade of the Mid-Embarcadero Roadway Project adjacent to the affected piers, and

WHEREAS, the Port is currently negotiating a MOU agreement with the Department of Public Works, whereby the Port expects to receive $1.0 million from the Mid-Embarcadero Roadway Project to assist in the funding of the Phase I marginal wharf repair work, promenade work, and related shoring work, and

WHEREAS, Port will fund repair costs in excess of $1.0 million, utilizing a supplemental appropriation of $2 million for marginal wharf repairs which the Commission approved by resolution dated September 17, 1997, and

WHEREAS, the engineer's current cost estimate for the repair work under Phase I is $1,195,547, and

WHEREAS, the plans and specifications for the repair work have been reviewed and approved by Caltrans; now, therefore be it

RESOLVED, that the Port Commission authorizes the staff to advertise for bids for Construction Contract No. 2658, Piers 1-1/2 to 5 Marginal Wharf Repair, Phase I.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of February 22, 2000.

_____
Secretary

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MEMORANDUM

February 16, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas Wong
Executive Director

ACTION: Approve Resolution to Introduce Legislation to Affirm Any BCDC Action on a Bay Plan Amendment to Reconcile BCDC and Port Plans (Resolution No. 00-15)

On February 8, 2000, staff reported to the Commission legal issues that have been raised as to whether BCDC has the authority to approve plan amendments which allow existing piers to be developed with non-water-oriented uses, as proposed in the Port/BCDC/Save the Bay Draft Framework Agreement. Staff reported that the Port's counsel met with the Attorney General's office and BCDC's in-house counsel and concluded that State legislation that simply affirms and endorses BCDC's approval of any Bay Plan amendments would effectively reduce any legal vulnerability of BCDC's action.

Following the February 8th Commission meeting, the Attorney General's office drafted legislation (attached in Exhibit A), which has been included in a BCDC staff report recommending that the BCDC support its passage by the State Legislature. The BCDC staff recommendation will be considered for BCDC action at its February 17, 2000 meeting.

Port staff and counsel have reviewed the Attorney General's draft legislation and believe that this approach would adequately address the legal issues identified. Passage of legislation such as proposed by the Attorney General's office would provide certainty in the implementation of BCDC's plan amendments, as contemplated in the Draft Framework Agreement, which will benefit all interests.

If the BCDC approves the submittal of the draft legislation at its February 17th meeting, the Port staff recommends approval of Resolution 00-15, supporting a joint BCDC and Port request to have Assemblymember Carole Migden introduce the proposed legislation in Attachment A, or variation thereof, by the February 25th deadline, and to work with all interested parties to secure its passage.

Prepared by: Paul Osmundson
Director, Planning & Development

This Print Covers Calendar Item No. 9A

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-15

WHEREAS, In 1994, The Port and the San Francisco Bay Conservation and Development Commission entered into a Memorandum of Agreement to work jointly on BCDC and Port plan amendments to establish consistent policies for the San Francisco waterfront, to enable implementation of the Port's Waterfront Land Use Plan; and

WHEREAS, In 1996, staff of the Port, BCDC, and Save San Francisco Bay Association signed a Draft Concept Agreement including provisions for fill removal and public access, and elimination of BCDC's water-oriented use requirements for Port projects on the Port's existing piers; and

WHEREAS, The Port and BCDC Commissions are currently engaged in a joint Committee process to resolve remaining issues of the December 1999 BCDC/Port Save the Bay Draft Framework Agreement, necessary to develop Plan amendments for BCDC and Port plans; and

WHEREAS, In January 2000, at a joint BCDC/Port Commission meeting, questions were raised regarding BCDC's legal authority to approve plan amendments that allow development of existing piers for non-water-oriented uses; and

WHEREAS, Such plan amendments are necessary to allow Port and BCDC to approve important Port development projects, such as the mixed use active recreation project at Piers 27-31 which BCDC would not generally consider a water-oriented use; and

WHEREAS, Port Counsel met with the Attorney General's office and BCDC's in-house counsel to discuss the legal issues raised, and concluded that there was a practical risk that Port projects under the amended BCDC plan could be jeopardized; and

WHEREAS, It also was concluded that passage of State legislation which simply affirms and endorses any BCDC approval of Bay Plan amendments for the San Francisco waterfront would effectively reduce or eliminate that legal risk; and

WHEREAS, The Attorney General's office has drafted such legislation, which was recommended by BCDC staff for approval by the BCDC; and

WHEREAS, On February 17, 2000, the BCDC voted to support State legislation to affirm any BCDC action to amend the San Francisco Bay Plan; now, therefore be it

RESOLVED, That the Port Commission supports the introduction of the draft legislation in substantially the form attached hereto.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of February 22, 2000.

_____
Secretary

LEGISLATION REGARDING SPECIAL AREA PLAN ADOPTED BY BCDC

(Draft-2/11/00)

ATTACHMENT A

The people of the State of California do enact as follows:

SECTION 1. As used in this act:

(a) "Commission" means the San Francisco Bay Conservation and Development Commission.

(b) "McAteer-Petris Act" means the legislation creating the Commission and defining its powers and duties, being Title 7.2 of the Government Code (section 66600 et seq.), as it may hereafter be amended.

(c) "Bay Plan" means the San Francisco Bay Plan, as referred to in sections 66603, 66630, 66651, and 66652 of the McAteer-Petris Act.

SECTION 2. The Legislature hereby finds and declares as follows:

(a) Section 66651 of the McAteer-Petris Act authorizes the Commission to incorporate into the Bay Plan special area plans that contain more specific findings and policies for portions of San Francisco Bay and its shoreline.

(b) The San Francisco Port Commission administers tide and submerged lands along the San Francisco waterfront under a grant in trust from the State of California made pursuant to the Burton Act (Chapter 1333, Statutes of 1968, as amended).

(c) The Commission, in cooperation with the San Francisco Port Commission, has been engaged in a planning process leading to the adoption of a special area plan that prescribes allowable uses on existing piers and will increase open water and public access and improve views of the Bay along the San Francisco waterfront.

(d) After public hearings, the Commission, on _____, 2000, adopted a special area plan for the San Francisco waterfront.

SECTION 3. The special area plan for the San Francisco waterfront adopted by the Commission on _____, 2000, along with those policies contained in the McAteer-Petris Act and the Bay Plan not superceded by the special area plan, shall be used by the Commission to determine whether or not to issue permits pursuant to California Government Code Section 66632 for projects located in the area affected by the special area plan, which the Commission may amend pursuant to the provisions of Government Code section 66652.

SECTION 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

The San Francisco waterfront has unique characteristics important to the entire Bay Area. The special area plan adopted by the Commission settles long-standing disagreements between the Port of San Francisco and the Commission. The special area plan provides for increased open water and public access and improved views along the San Francisco waterfront, and interprets the McAteer-Petris Act to allow certain uses of the piers along the waterfront. A number of projects are proposed for the affected piers that involve significant capital investments, and the San Francisco Port Commission and the proponents of the projects desire legislative confirmation of the special area plan before proceeding. For these projects to proceed in a timely fashion and be integrated expeditiously into the revitalization of San Francisco's waterfront that is currently underway, it is important that confirmation of the special area plan become effective as soon as possible.

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MEMORANDUM

February 18, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliam, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Northern Waterfront Maritime National Historic District

DIRECTOR'S RECOMMENDATION: Authorize Staff to Prepare Materials to Nominate a Northern Waterfront Maritime Historic District, between Piers 45 and China Basin, to the National Register of Historic Places

BACKGROUND

The Waterfront Land Use Plan and its Design & Access Element (Waterfront Plan) include goals and policies for historic preservation, identify the most significant historic resources, and call for additional studies and for nominating significant resources to the National Register of Historic Places (National Register). The December 1996 Concept Agreement signed by the Port Executive Director, the Director of the San Francisco Bay and Conservation Commission (BCDC), and by Save The Bay staff, called for the Port's preparing and adopting a program for historic resource preservation prior to approving any action that would adversely affect an historic resource. The framework for updating BCDC's Special Area Plan calls for an element to address historic preservation needs consistent with the public benefits package.

The Port in 1996 contracted with Architectural Resources Group, Inc., to prepare the *Port of San Francisco Historic Resources Data Base*, which incorporated the findings of several prior archaeological, cultural and historic studies along the waterfront. In 1998, San Francisco Architectural Heritage published *San Francisco's Northeast Waterfront—An Inventory and Analysis of Historic Resources*, which built upon the prior works and provided a greater level of analysis for the piers north of the Ferry Building.

THIS PRINT COVERS CALENDAR ITEM NO. **9B**

Port staff have worked with the State Office of Historic Preservation and local preservation and waterfront constituencies in reviewing these and other materials, and developing information in response to questions that arose. Identifying the Port's most significant historic waterfront resources in the Northern Waterfront between Pier 45 and China Basin was the goal, along with options for their preservation. The Waterfront Plan's listing, while very important in establishing the Port's approach towards preservation of its historic resources, does not provide the same level of recognition and associated protection as does listing these resources in a City, State or National listing of historic resources.

General Analysis

Four Port buildings, the Ferry Building, Agriculture Building, Beltline Roundhouse and Pier 1, are already listed on the National Register, and the Seawall between Taylor and Berry Streets, the Pier 22½ Firehouse and the Pier 38 bulkhead building have been determined to be eligible. The California State Historical Commission, in recommending last year that Pier 1 be listed on the National Register, also urged the Port to submit a nomination for the adjoining Piers 1½, 3 and 5 as an Historic District. The Commission noted that Pier 1, together with Piers 1½, 3 and 5, are part of a unified architectural scheme built to beautify the San Francisco waterfront, as a result of the City Beautiful Movement, and that these piers are extant and constitute a substantial and significant portion of the original architectural composition

Buildings may be listed on the National Register either individually or as Contributory Buildings within an Historic District. While the Port successfully nominated Pier 1 to the National Register as a single structure, some difficulties associated with that effort suggest that nominations of other individual structures would not be as fruitful as nomination as an Historic District.

There are many benefits associated with a National Register listing. These include:

1. The Port's private sector partners will have the opportunity to qualify for historic preservation tax credits equal to 20% of the approved rehabilitation costs for projects consistent with the Secretary of the Interior's Standards for Rehabilitation.

2. BCDC Regulations Section 10704 (Fill Necessary to the Welfare of the Public to Protect Historic Structures) enables BCDC to permit seismic retrofit and substantial rehabilitation for such National Register projects without invoking the water-oriented use and replacement fill policies of its Bay jurisdiction.

3. The State Lands Commission recognizes that such projects attract the general public and thereby foster public trust objectives. Preservation of National Register properties enables the public to appreciate the historic character of these maritime resources while preserving the resources for possible future maritime services. The Port must continue to emphasize public trust uses within such projects, but may also benefit from the potential for a somewhat broader range of uses due to the public recognition associated with historic districts and their ability to fulfill public trust objectives through their attractiveness to the general public.

4. Other cities have found the "Heritage Tourism" associated with National Register Historic Districts to be very attractive economically. We are advised that the San Francisco waterfront contains the preeminent collection of City Beautiful-inspired waterfront structures in the country.

The City has designated the Ferry Building, Beltline Roundhouse and Pier 22½ Firehouse as San Francisco Landmarks, and the Port's Broadway Seawall Lots are within the City's Northern Waterfront Historic District. These local listings provide recognition of the significance of the resource, but do not in and of themselves convey the benefits of a National Register listing.

It should be noted that under either the National Register, State or City designation approach, the Port retains all its responsibilities granted under the Burton Act. The Port has no obligation to maintain historic resources that it does not find economically feasible to retain or that preclude maritime or other more appropriate developments on the waterfront.

Should Federal funding be involved in a future project, the Port would be subject to Section 106 (federal regulations 36 CFR 800.9) of the National Historic Preservation Act, which requires Federal agencies to take into account the effects of their activities on historic properties. The agency must prepare either a "Finding of Effect" or a "Finding of No Effect", depending upon whether a project may alter characteristics of the property that may qualify the property for inclusion in the National Register. If there is an effect, "Criteria of Effect" are applied to determine whether the project will have an adverse effect on the historic property or other National Register-listed or eligible properties. This determination depends upon whether the project is considered to diminish the integrity of the property's location, design, setting, materials, worksmanship, feeling and association. This process may include consultation with the State Office of Historic Preservation and the National Advisory Council on Historic Preservation ("Advisory Council"). The process ordains a process but not an outcome; while historic preservation is a useful public purpose, it is recognized that "...agency missions are also important, and sometimes preservation needs have to yield in order to accommodate the needs of economic development, national defense, public safety and other values."1 In cases of "adverse effect", the Federal agency is required to consult with and consider comments of the Advisory Council, normally including a Memorandum of Agreement, and then to notify the Council of its decision

The Port may negotiate its own Memorandum of Agreement with appropriate historic preservation authorities, e.g. the State Office of Historic Preservation and Advisory Council, as part of moving forward with an Historic District. Such an agreement can establish design guidelines and procedures to be followed in addressing changes to these resources.

Environmental Impact Reports and other environmental documents, when required for Port projects, clearly must analyze any loss of historic resources. While the Port's historic resources are not, for the most part, officially recognized on adopted lists of such structures, the ample documentation already available attests to their significance.

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1 *Introduction to Federal Projects and Historic Preservation Law, Participant's Course Book, A Section106 Training Publication*, National Advisory Council on Historic Preservation and the GSA Interagency Training Center, January 1993, page II-12 "Basic Regulatory Philosophy"

Specific Facilities

Specific facilities identified at this time for possible nomination as an historic district are listed below, in north to south order. Consideration has not been given at this point to Fisherman's Wharf resources east of Pier 45, or to resources south of China Basin such as Pier 48 and Pier 70.

The facilities listed as a "Pier" include both a bulkhead building and pier shed, unless a more specific identification is given. Completion dates are for the original construction. Generally, Piers north of the Ferry Building have a Neoclassical style bulkhead building, with Mission Revival bulkheads to the south. Pier 45 has one of two pairs of Gothic Revival pier bulkheads, with the other pair at Pier 48 south of China Basin.

Seawall
Pier 45, completed 1929, Gothic Revival
Pier 43 Ferry Arch, completed 1915, Neoclassical
Pier 35, completed 1916, end extension/galleries 1933, 2nd level terminal 1981, Neoclassical
Pier 33, completed 1919, Neoclassical
Pier 31, completed 1919, Neoclassical
Pier 29½ Connector Building, completed 1919, Neoclassical
Pier 29, completed 1918, Neoclassical
Pier 29 Annex Beltline Railroad Office, 1909, relocated 1919, Mediterranean
Beltline Roundhouse, completed 1914
Pier 23 Café
Pier 23, completed 1930, Neoclassical
Pier 19, completed 1935, Neoclassical
Pier 17 pier shed, completed 1912, side extension 1957
Pier 15, completed 1930, side extension 1957, Neoclassical
Pier 9, completed 1936, Neoclassical
Pier 5 bulkhead, completed 1922, Neoclassical
Pier 3 bulkhead, completed 1918, Neoclassical
Pier 1½ bulkhead and passenger lounge, completed 1918, Neoclassical
Pier 1, completed 1930, Neoclassical
Ferry Building, completed 1898, Neoclassical
Agriculture Building, completed 1915, Mediterranean
Pier 22½ Firehouse, completed 1915, Mediterranean
Pier 24 Annex, completed 1936
Pier 26, completed 1912, Mission Revival
Pier 26 Annex, completed 1928, Mission Revival
Pier 28, completed 1912, Mission Revival
Boondocks
Red's Java House
Pier 38, completed 1932, Mission Revival

The historic preservation professionals with whom the Port has been initially consulting believes these facilities warrant inclusion within a National Register Historic District. State Office of

Historic Preservation staff generally concur and have agreed to visit the waterfront and help Port staff refine these recommendations as part of setting the boundaries for an historic district.

Relationship to Port/BCDC/Save The Bay Framework Agreement

The Framework Agreement called for the removal of Piers 23, 17, 24, 34 and 36, and removal of a portion of Piers ½ and 2. Of these, Piers 23 and 17 are considered by historic preservation professionals to be potentially eligible as Contributory Buildings to a National Register Historic District. We anticipate testimony on these two specific facilities will be provided to the Joint Committee of the Port and BCDC Commissions at its next meeting on March 1, 2000.

Non-historic waterfront resources between Pier 45 and China Basin that have not been identified in the Framework Agreement for removal include:

- Pier 41 (1979, breakwater)
- Pier 39 (1978, intensively developed)
- Pier 27 1/2 Office Building (1962)
- Pier 27 (1967, identified for Active Recreation, RFP issued but suspended)
- Pier 19½ Connector Building (1962, part of Foreign Trade Zone)
- Pier 15-17 Valley, Office Building and Bayside Connector Building (1957, warehouse)
- Waterfront Restaurant (former Pier 7 bulkhead, extensively remodeled in 1980s-90s)
- Pier 7 Public Access and Fishing Pier (1989)
- Pier 30-32 (1950 expansion, identified for Cruise Terminal/Mixed Use, developer selected)
- Pier 40 (1908, only portion of shed left after fire, under lease to SF Redevelopment Agency)

RECOMMENDATION

Port staff recommends that the Commission authorize staff to prepare materials required to nominate a Northern Waterfront Maritime Historic District, between Pier 45 and China Basin, to the National Register of Historic Places, with boundaries generally consistent with the listing set forth above. Following the preparation of the required nomination materials, staff will return to the Commission to seek authorization to submit the materials for the proposed Historic District.

Prepared by Paul Osmundson
Director, Planning & Development Division

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-16

WHEREAS, the Waterfront Land Use Plan and its Design & Access Element ("Waterfront Plan") include goals and policies for historic preservation, identify the most significant historic resources, and call for additional studies and for nominating significant resources to the National Register of Historic Places ("National Register"); and

WHEREAS; The December 1996 Concept Agreement signed by the Port Executive Director, the Director of the San Francisco Bay and Conservation Commission (BCDC), and by Save The Bay staff called for adopting a plan for historic resource protection before approving any action that would adversely affect such resources, and the later December 1999 "Framework Agreement" called for including an element of the BCDC Special Area Plan that addressed historic preservation needs consistent with the public benefits package; and

WHEREAS; the Port in 1996 contracted with Architectural Resources Group, Inc., to prepare the *Port of San Francisco Historic Resources Data Base*, which incorporated the findings of several prior archaeological, cultural and historic studies along the waterfront, and in 1998, San Francisco Architectural Heritage published *San Francisco's Northeast Waterfront—An Inventory and Analysis of Historic Resources*, which built upon the prior works and provided a greater level of analysis for the piers north of the Ferry Building; and

WHEREAS; the Port has commissioned historical resource reports for the Ferry Building, Pier 1, Pier 27-29-31 and Pier 45 Shed A, which provide additional information on these specific facilities while providing better knowledge of the overall context for development of the northeastern waterfront's historic piers; and

WHEREAS; Port staff have worked with the State Office of Historic Preservation and local preservation and waterfront constituencies in reviewing these and other materials to identify the Port's most significant historic waterfront resources in the Northern Waterfront between Pier 45 and China Basin, along with options for their preservation; and

WHEREAS; four Port buildings, the Ferry Building, Agriculture Building, Beltline Roundhouse and Pier 1, are already individually listed on the National Register, and the Seawall between Taylor and Berry Streets, the Pier 22 ½ Firehouse and the Pier 38 bulkhead have been determined to be eligible; and

WHEREAS; the California State Historical Commission, in recommending that Pier 1 be listed on the National Register, also urged the Port to submit a nomination for the adjoining Piers 1½, 3 and 5 as an Historic District, and other piers are considered within the historic preservation community to be equally deserving; and

WHEREAS; creating a National Register Historic District gives national recognition to structures, while also offering the Port other benefits including: the opportunity to qualify for 20% historic preservation tax credits; utilization of BCDC regulations allowing fill necessary to the welfare of the public to protect historic structures without invoking the water-oriented use and replacement fill policies of BCDC's Bay jurisdiction; State Lands Commission recognition that National Register-listed developments attract the general public and thereby promote public trust objectives; and the potential economic benefits associated with "Heritage Tourism" for the Port's preeminent collection of City Beautiful-inspired waterfront structures; and

WHEREAS, the historic preservation professionals with whom the Port has been initially consulting believes many of the Port's facilities may warrant inclusion within a National Register Historic District, and staff of the State Office of Historic Preservation concur and have agreed to help Port staff refine these recommendations and set the boundaries for an Historic District; now, therefore, be it

RESOLVED, that the Port Commission hereby authorizes staff to prepare materials to nominate a Northern Waterfront Maritime Historic District, between Pier 45 and China Basin, to the National Register of Historic Places; and be it further

RESOLVED, that staff will return to the Commission to seek authorization to submit the nomination materials and formally begin the process of creating the district.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of February 22, 2000.

_____
Secretary

PORT OF SAN FRANCISCO

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MEMORANDUM

February 16, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Southern Waterfront Informational Briefing – No Action Required

Staff wishes to provide the Commission a status report on Port leasing and planning issues for the Southern Waterfront to achieve the following:

1. Continue efforts to develop cargo maritime business opportunities at the Port's terminals at Piers 80, 90-92 and 94-96, including proposed asphalt and concrete production facilities.

2. Work with the SWAC to carry out a community-based planning program to identify acceptable uses and possible developments for unimproved Pier 90-94 backland (Attachment A).

3. Complete Southern Waterfront Supplemental EIR (SEIR) for Pier 70-96 area, to cover environmental impact analysis requirements for proposed Southern Waterfront leases, the proposed Illinois Street rail bridge, and possible development at Pier 70 (Opportunity site at 20th and Illinois Streets).

The need to reconfirm the Commission's support of this approach arises in the face of "Community Alert" notices recently released and circulated in the Bayview-Hunters Point neighborhood, opposing asphalt (and concrete) leases on Port property (Attachment B). On February 16th and 17th, staff will be meeting with the Southern Waterfront Advisory Committee and the Bayview Hunter's Point PAC to discuss this matter and answer community questions regarding the Port's Southern Waterfront activities.

Staff will be prepared to brief the Commission at its February 22nd meeting of the issues discussed with the community at the February 16th and 17th meetings.

Prepared by: Diane Oshima
Manager, Waterfront Planning

This Print Covers Calendar Item No. 9C

ATTACHMENT A

SOUTHERN WATERFRONT
PIER 90-94 BACKLANDS - PLANNING WORK PROGRAM
July 9, 1999

The Port will be conducting a public planning process for the Pier 90-94 backlands area (see attached map A). As described in a November 1998 Port Commission memo, which was reviewed by the Southern Waterfront Advisory Committee (Attachment B), this "Long-range Development Area" was identified for further study to identify possible land use and development opportunities consistent with the public trust (including interim non-trust uses). Although the Waterfront Land Use Plan designates most of this area for maritime uses, other use options will be identified and discussed. The planning program will include the following components:

Identify Possible Land Use Options

- ***Define "Eco-Industrial Parks":*** Staff will research the definition and case studies of Eco-industrial parks. What kinds of uses, facilities, and development criteria do they involve? How do they avoid environmental impacts and/or incorporate environmental mitigations? What potential applications do they have for Port's southern waterfront? (August – September 1999)

- ***Research other Ports:*** Staff will research whether cargo and maritime operations at other Ports have raised land use and environmental justice issues, and how they are being addressed, including environmental mitigation measures. (August – September 1999)

- ***Maritime Industrial Plan:*** The Port will hire a consultant to evaluate the Port's available facilities to meet maritime needs, including but not limited to warehousing, open land, and berths. A draft scope of this analysis is presented in Attachment C). In conjunction with the study, the Port will convene a maritime advisory panel to advise the Port on the needs of the maritime industry. (Consultant hiring: late Fall, 1999)

- ***Community planning workshops:*** The Port will invite the public to participate in periodic planning workshops to 1) initially identify interim and long-term land use options, and 2) to evaluate them further as additional information becomes available (e.g. maritime facility needs, infrastructure requirements, real estate feasibility analysis). (Fall 1999 and Spring 2000)

Assess Site Conditions and Improvement Needs

- ***Sewer infrastructure:*** San Francisco Public Utilities Commission staff is currently identifying sewage and storm water treatment options to meet future water quality regulations and the demands of new development, including that which could occur on Port property. The Port intends to coordinate the Southern Waterfront planning program with this PUC planning effort, scheduled for completion in early 2000.

- ***Hazardous materials:*** The Port, through its staff and/or outside assistance, will identify past land uses and businesses to assess site conditions with respect to possible hazardous materials and clean-up requirements.

Conduct Land Use /Real Estate Feasibility Analysis

- The Port expects to hire a consultant to analyze the feasibility of land use development options identified in the planning process. This is expected to be at a program level of detail, incorporating infrastructure, and other necessary site or environmental improvements that materially affect development costs and revenues for this area. (Target date for retaining consultant and conducting feasibility analysis: Spring/Summer 2000)

Employment Training and Job Opportunities

- The Port staff will coordinate with the Department of Human Resources, which is the lead City agency developing job training and placement programs as part of the Redevelopment Agency's Bayview Hunter's Point Concept Planning process.

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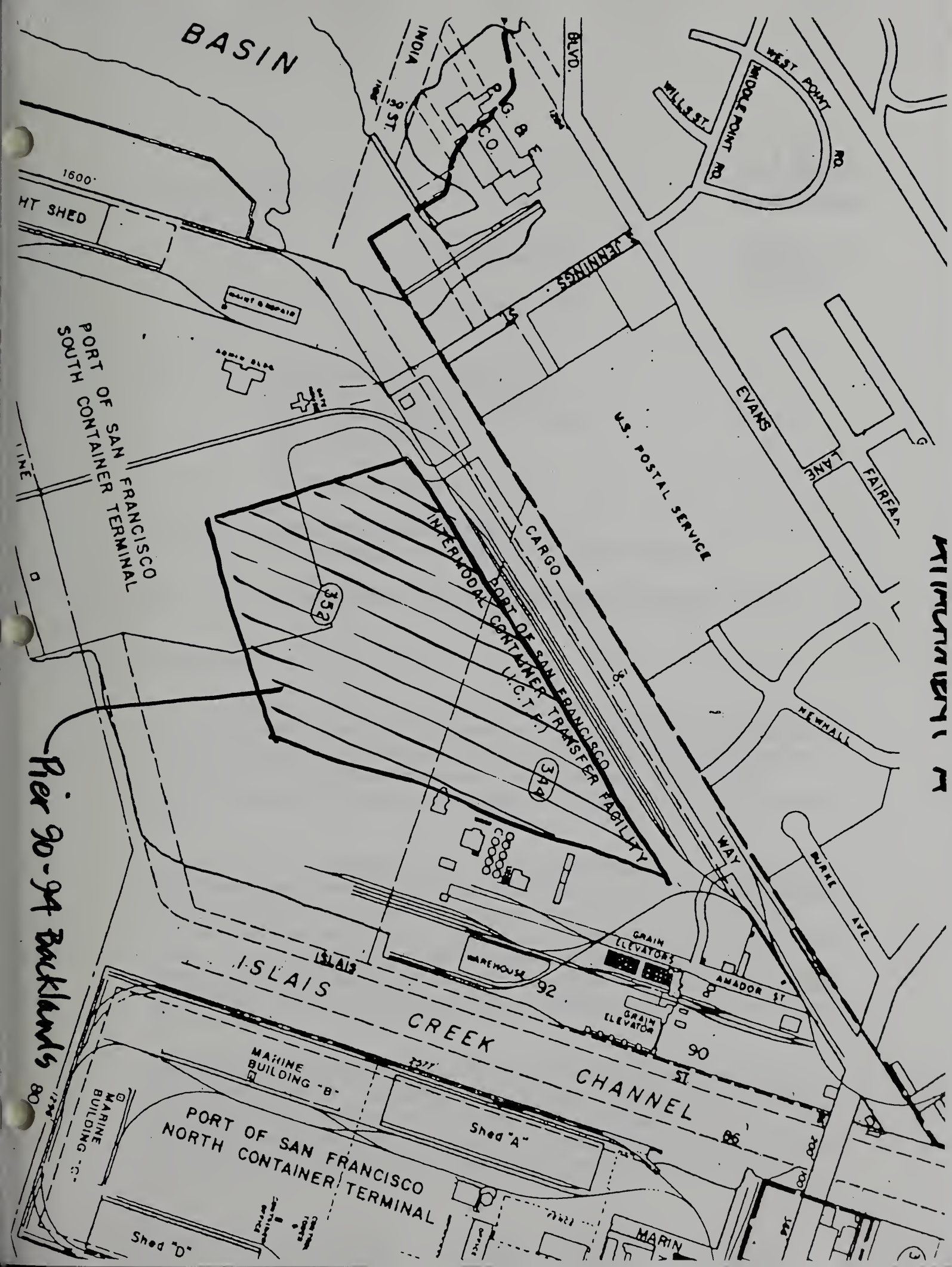
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EVANS
U.S. POSTAL SERVICE
FAIRFAX
LANE
CARGO
INTERMODAL CONTAINER TRANSFER FACILITY
PORT OF SAN FRANCISCO (I.C.T.F.)
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WAY
BURKE AVE.
GRAIN ELEVATORS
WAREHOUSE
92
ISLAIS
ISLAIS CREEK CHANNEL
AMADOR ST.
GRAIN ELEVATOR
90
51
MARINE BUILDING "B"
MARINE BUILDING "C"
Shed "A"
PORT OF SAN FRANCISCO NORTH CONTAINER TERMINAL
Shed "D"
MARIN
Pier 90-94 Backlands

PORT OF SAN FRANCISCO

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MEMORANDUM

November 17, 1998

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Pius Lee
Hon. Brian McWilliams

FROM: Larry Florin, Special Projects
Philip Smith, Director, Real Estate and Asset Management

RE: Proposed Southern Waterfront Leasing and Development Strategy

Background

At the Commission's direction, the Southern Waterfront Advisory Committee (SWAC) has been established, made up of representatives from a cross section of the Southern Waterfront community (see attached membership list). The SWAC has provided an important forum enabling the Port to establish regular communication with the community regarding upcoming lease proposals as well as planning and development issues.

Port staff also is developing an environmental mitigation and monitoring program to identify mitigation measures for inclusion in industrial leases in the Southern Waterfront, and a monitoring program to ensure compliance. This program includes air quality mitigation measures based on the Waterfront Land Use Plan EIR as well as water quality, hazardous materials handling and other measures that may be required by other regulatory agencies, depending on the type of use proposed. It is the intent of the staff to keep the SWAC informed regarding these efforts, and to respond to any questions and issues raised.

To date, there have been two SWAC meetings. Staff has used these opportunities to apprise SWAC members of current and proposed leases. However, the Port needs to work with the SWAC and broader community to define a comprehensive leasing and development strategy for Pier 80 and Port property south of Islais Creek, including Piers 90-92 and 94-96, and adjacent undeveloped lands that address the following issues:

- *The Port's Waterfront Land Use Plan and BCDC/MTC Seaport Plan reserve virtually all of this area for existing or potential future industrial maritime uses. Given industry and market trends, the Port does not foresee the need for developing new container terminal facilities. Market demand, financial, environmental and other requirements associated with developing facilities for other possible maritime uses require further study.*

- *Any uses in this area, even if not for cargo and related support uses, must be consistent with the public trust.*

- *Over the last few years, the Port has received numerous, sometimes competing, leasing proposals for maritime and non-maritime, long-term and interim uses.*

- *This area is included within the South Bayshore Redevelopment Survey Area which is currently the subject of a community planning process sponsored by the Redevelopment Agency to define appropriate land uses.*

- *There is a great deal of concern about the potential environmental and public health impacts associated with existing and additional proposed industrial uses in the area (which is the basis for the Port's separate work effort described above to incorporate strong environmental mitigation measures into new industrial leases and to develop a monitoring program to ensure compliance and maximum effectiveness).*

- *There is also a strong community agenda to ensure that new uses and development generate jobs and/or job training programs that benefit local residents.*

Proposed Leasing and Development Strategy

A comprehensive leasing and development strategy should address the above issues and define for the public, as well as the Port, a rational framework for the types of uses and lease practices that the Port should employ, and long-term development and infrastructure needs of the Southern Waterfront. Port staff from the Executive, Real Estate, Planning & Development, and Maritime Divisions have been meeting regularly to assess detailed leasing, development, environmental, regulatory and community issues that have emerged in the Southern Waterfront, and have formulated a proposed leasing and development strategy, consistent with the Waterfront Land Use Plan, described below for your consideration.

The staff proposes that this leasing and development strategy, as may be amended to respond to Commission direction, be presented to the SWAC for their review and comments. We also anticipate circulating the draft strategy to the broader Southern Waterfront community before finalizing.

The proposed leasing and development strategy is defined for the following areas (which also are indicated on the attached map):

<u>Pier 80 Marine Terminal</u>

- *Promote this facility as the Port's premier multi-cargo facility.*

- *Give first priority to maritime uses; minimize interim use leasing on this site.*

- *Promote more efficient rail and truck access by seeking funding to construct the Illinois Street rail bridge between Pier 80 and the Intermodal Container Tranfer Facility (ICTF).*

- *Incorporate further environmental mitigation and monitoring measures where applicable.*

- *Incorporate local job opportunities, if feasible.*

Pier 90-96 Maritime Area - generally an 800 foot wide band of waterfront property straddling Amador Street, and all but approximately 560,000 square feet of the Pier 94-96 marine terminal:

- *Promote and expand liquid and dry bulk cargo shipping and ancillary support industries, including concrete batching and construction materials handling which relies on waterborne transport.*

- *Generate revenues to pay for necessary infrastructure improvements.*

- *Incorporate further environmental mitigation and monitoring measures where applicable.*

- *Incorporate local job opportunities, if feasible.*

- *Minimize interim non-maritime use leasing in this area.*

Intermodal Container Transfer Facility (ICTF)

- *Maintain this important freight rail facility for maritime or non-maritime intermodal uses; ensure that other uses do not preclude or compromise its utility.*

Long-range Development Area - approximately 56 acres of undeveloped land on portions of Seawall lots 344 and 354, between the ICTF and Pier 90-96 Maritime Area, and an upland portion of the Pier 94-96 terminal. The Port will need consultant assistance to address the following issues:

- *Identify economically viable long-term development options that: 1) are consistent with the public trust (including maritime uses, and possibly facilities that may be used for interim non-trust uses but ultimately be returned to trust uses); 2) generate revenues to pay for necessary infrastructure improvements ; 3) includes further environmental mitigation and monitoring measures where applicable; and 4) provides local job opportunities.*

- *Allow interim use leasing which does not constrain long-term development options.*

- *Landfill closure requirements that would be applied to this area, which has been declared a landfill.*

We would appreciate your comments on the above leasing and development strategy. Although it will take additional time to develop recommendations for the Long-range Development (which will involve detailed work programs and likely require consultant assistance), the other components of this proposed leasing and development strategy could provide immediate guidance for evaluating various lease proposals now being considered by staff.

The next SWAC meeting is scheduled for November 23rd, at which time the staff would like to present this proposal. Therefore, your comments on this strategy before that meeting would be appreciated.

cc: Douglas Wong, Philip Smith, Paul Osmundson, Peter Dailey, Diane Oshima, Roberta Schoenholz, Carol Bach, Mark Lozovoy, Phillip Williamson
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MARITIME-INDUSTRIAL PLAN
SCOPE OF WORK (DRAFT)

1. Market Opportunity

   - Analyze, quantify and assess trends for existing maritime-industrial uses
   - Identify potential maritime-industrial uses
   - Develop a target-market portfolio

2. Industry Advisory Group (IAG)

   - Create a maritime-industrial advisory group made up of representatives of the target markets

3. Geographic, Land and Water Needs Assessment

   - Assess Geographic Needs: location, customer service areas, market access
   - Assess Land Needs: warehouse space, open space, stringer characteristics, office space, internal dynamics, utilities, security, communications, synergies and compatibility with other industrial, commercial and recreational uses
   - Assess Water Needs: water depth, channels, dredging, aids to navigation, vessel traffic systems

4. Available Maritime-Industrial Sites (including creative reuse of existing Port facilities and the Hunters Point Ship Yard)

   - Map properties suitable for maritime-industrial use, including zoning, existing tenancies and uses, land transportation access (rail and truck), adjacent uses, development plans
   - Review and update facility condition surveys
   - Apply target-market portfolio to available facilities

5. Compatibility with Concurrent Local and Regional Land Use Planning Efforts

   - Maintain close planning liaison with the Planning Department, the Redevelopment Agency, the Transportation Authority, MUNI, Parking and Traffic, and BCDC
   - Conform Maritime-Industrial Plan with other planning efforts

6. Infrastructure Requirements

   - Assess truck, rail and waterborne access: traffic signals, turning radii, truck parking and services, vertical clearances, truck routes, bridges, rail crossings
   - Initiate and implement corrective actions

7. Community and Environmental Impacts and Acceptance

   - Meet with effected neighborhood groups to identify local concerns
   - Review and revise Maritime-Industrial Plan to mitigate impacts

8. Management Plan

   - Survey maritime-industrial rates, markets, advantages and disadvantages of other Bay Area waterfront land owners
   - Create revenue and expense proxies for target-market uses
   - Identify resources necessary to implement plan
   - Prepare a proactive marketing plan for target-market portfolio

9. Capital Requirements

   - Identify funds and strategies necessary to implement plan, including cross-subsidy opportunities with commercial development

COMMUNITY ALERT!

KEY POINTS OF ATACHMENT B

CONCERN

for

Bayview Hunters Point

PORT of San Francisco

The following points of concern are taken from the Subsequent Environmental Impact Report (SEIR) for the Port of San Francisco January 7, 2000

- **"There are currently no privately owned commercial asphalt plants in San Francisco (the closest is in Brisbane)" (page 11)**

They are planning to add:

New to the City:	Mission Valley Rock **Asphalt Plant**
New to the City:	British Pacific Aggregates **Ready-Mix Concrete; Asphalt Plant**
New to the City:	ISG Resources **Fly Ash Storage**

(Industry Group Project Characteristics, Table 1, page 9)

- No commitments to improvements are anticipated.

"...site conditions...are anticipated to remain generally as they currently exist." **(page 9)**

TO VOICE YOUR CONCERNS CONTACT
THE PORT OF SAN FRANCISCO
415-274-5000 www.sfport.com
write or call to your elected representatives

THE ECONOMIC IMPACTS OF THE PORT OF SAN FRANCISCO

PREPARED FOR:

JANUARY 18, 2000

MARTIN ASSOCIATES
2938 COLUMBIA AVENUE, SUITE 602
LANCASTER, PA 17603

THE ECONOMIC IMPACTS OF THE PORT OF SAN FRANCISCO

PREPARED FOR:

JANUARY 18, 2000

MARTIN ASSOCIATES
2938 COLUMBIA AVENUE, SUITE 602
LANCASTER, PA 17603

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EXECUTIVE SUMMARY

Introduction

The Port of San Francisco consists of 7.5 miles of San Francisco Bay waterfront with one of the most diverse maritime and business portfolios of any port in the United States. Port revenue is derived from property rental to commercial and industrial enterprises, and from maritime operations which include container and break-bulk cargo, ship repair, sport and commercial fishing, cruise operations, harbor services, and other maritime services such as ferries and excursions.

The following are highlights of activities occurring at the Port of San Francisco during the fiscal year ending June 30, 1999:

- Construction continued on Pacific Bell Ballpark, the new home of the San Francisco Giants baseball team
- The X-Games were held at Pier 30-32, sponsored by ESPN
- Four new cargo shipping lines signed contracts with the Port to provide cargo service between San Francisco and Australia, New Zealand, Mexico, and the South Pacific
- The U.S. Maritime Administration began to homeport seven rapid deployment ships at the Port
- The Port completed the Wetlands Restoration Project and education program at Pier 98, now named Heron's Head Park
- Construction began on the Port's new headquarters at Pier 1
- Negotiations began with the developer selected to renovate the 100-year old Ferry Building
- Pier 30-32 was selected as the new site for a new world-class cruise terminal.

All of these activities helped to create significant economic benefits to the City and County of San Francisco as well as to the surrounding Bay Area.

Purpose

The purpose of this report is to quantify the economic benefits derived from Port operations as measured by the number of direct, induced and indirect jobs created by the Port; the amount of personal income and consumption expenditures created by Port activity; the amount of local purchases made by companies dependent on Port activities; and the amount of State and local tax revenue derived from businesses dependent on the Port.

In addition, as a part of this impact study, a detailed economic impact model has been developed. The purpose of the model is to provide a tool for the Port to: 1) analyze various growth scenarios for specific industries; 2) assess alternative land uses for Port property; and 3) demonstrate the economic benefit of proposed new tenants.

Methodology

The economic impact of the Port was estimated based on interviews with over 650 Port tenants, approximately 176 subtenants and more than 50 maritime services companies such as freight forwarders and steamship agents. A 100% response rate was achieved from Port tenants, sub-tenants and marine service firms. The direct economic impacts are measured at the firm level of detail, and aggregated to develop the impacts of each business line of the Port. The impacts are estimated for the following lines of business: real estate, marine cargo, cruise operations, ship repair operations, fishing operations, and miscellaneous economic impacts of the Port.

Summary of Findings

Nearly 30,000 direct, induced and indirect jobs were generated by activity at the Port of San Francisco. Of these employees, 9,798 jobs were directly generated by Port activity. As the result of the local purchases for goods and services by these individuals, 5,211 induced jobs were supported in the Bay Area. Finally, as the result of the purchases by the firms directly dependent upon the Port, 14,522 indirect jobs were created in the Bay Area with suppliers of goods and services.

A total of $1.1 billion of personal income and consumption expenditures were created in the Bay Area by activity at the Port of San Francisco. The 9,798 directly employed residents of the Bay Area received $340.6 million of direct wages and salaries, for an average salary of nearly $34,800 annually. As the result of local purchases made with this direct wage and salary income, an additional $339.6 million of local purchases and income were generated in the Bay Area. These local purchases supported the 5,211 induced jobs in the Bay Area as well as the salaries paid to the induced job holders. Finally, the 14,522 people indirectly employed by Port activity earned $388.7 million in wages and salaries.

Residents of the City and County of San Francisco received $374.8 million of personal income from Port activity.

A total of $1.7 billion in revenue was generated by Port activity. This revenue includes the value of goods and services sold by Port tenants, the revenue earned by businesses directly dependent on Port cargo, cruise, ship repair, and fishing operations, and revenue generated by the construction activity and other miscellaneous activities occurring on Port property.

$729 million of local purchases were made by Port tenants and businesses directly dependent on Port cargo cruise ship repair, and fishing operations.

State and local governments received $120.8 million of tax revenue from Port activity. This includes sales tax, employment tax, income taxes paid by employees, business taxes, property taxes, and transportation taxes. Of the $120.8 million, $19.1 million in tax revenue went to the City and County of San Francisco.

Summary of Economic Impacts Created by the
Port of San Francisco

IMPACT MEASURES	SAN FRANCISCO	BAY AREA
JOBS		
Direct	5,399	9,798
Induced	2,871	5,211
Indirect	NA	14,522
TOTAL	8,270	29,531
INCOME ($1,000)		
Direct	$187,657	$340,585
Induced	$187,132	$339,631
Indirect	NA	$388,728
TOTAL	$374,789	$1,068,944
REVENUE ($1,000)	$1,677,912	$1,677,912
LOCAL PURCHASES ($1,000)	NA	$728,981
STATE AND LOCAL TAXES ($1,000)		
State	NA	$94,176
Local	$19,130	$26,614
TOTAL	$19,130	$120,790

Report Format

The body of this report is organized by business line, and is preceded by an introduction that includes detailed impact definitions, methodology of findings, type of models used, and summary of economic impact results. The business lines are divided as follows: real estate tenants; marine cargo activity; cruise service operations; ship repair operations; sport and commercial fishing operations; and miscellaneous operations, which includes the administrative and maintenance offices of the Port.

The following table summarizes the economic impact of water dependent industries, real estate tenants with no water dependency and miscellaneous operations of the Port.

Impacts by Water Dependency

REAL ESTATE	JOBS INCOME (1,000) REVENUE (1,000) TAXES (1,000)	20,117 $684,892 $1,128,947 $77,393
WATER DEPENDENT	JOBS INCOME (1,000) REVENUE (1,000) TAXES (1,000)	6,266 $261,431 $400,987 $29,540
PORT ADMINISTRATION/ MISCELLANEOUS	JOBS INCOME (1,000) REVENUE (1,000) TAXES (1,000)	3,148 $122,621 $147,978 $13,857

The following exhibit shows the impacts by line of business.

Economic Impacts by Line of Business Operated by
the Port of San Francisco*

LINE OF BUSINESS	JOBS	INCOME ($1,000)	REVENUE ($1,000)	TAXES ($1,000)
Offices	11,525	$467,430	$871,391	$52,820
Retail/Tourism/ Restaurants/ Tourism	8,127	$195,923	$210,149	$22,139
Film/TV/Special Events	1,392	$51,972	$55,487	$5,873
Cargo	2,585	$130,933	$163,369	$14,795
Ferries/Excursions /Marinas	1,436	$53,577	$63,094	$6,055
Fishing	1,505	$45,676	$126,186	$5,160
Construction	1,103	$37,467	$49,750	$4,234
Port Administration	653	$33,182	$42,741	$3,750
Ship Repair	536	$25,006	$36,478	$2,826
Industrial Storage	465	$21,539	$47,407	$2,433
Cruise	204	$6,239	$11,860	$705
TOTAL	**29,531**	**$1,068,944**	**$1,677,912**	**$120,790**

*Totals may not add due to rounding

I. INTRODUCTION

The Port of San Francisco is a diversified Port with several specific and unique lines of business. The purpose of this report is to quantify the economic benefits of the Port of San Francisco's operations for fiscal year 1999, and to provide the Port with a set of economic impact models that can be used to conduct sensitivity analysis and to provide annual updates. The lines of business operated by the Port include real estate landlord operations for retail, service, recreational, and industrial tenants at such Port owned facilities as the Ferry Building, Fisherman's Wharf and other property; marine cargo operations; commercial fishing and processing activity at Port of San Francisco facilities; cruise lines calling at Port of San Francisco piers; ship repair facilities and operations; and the Port of San Francisco miscellaneous activity such as film and television production on Port property. These lines of business create significant economic benefits to the City and County of San Francisco, as well as to the surrounding Bay Area. The surrounding Bay Area includes Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano, and Sonoma counties.

The study employs methodology and definitions that have been used by Martin Associates to measure the economic impacts of seaport activity at more than 80 ports in the United States and Canada, and at the leading airports in the United States. With regards to the Bay Area, Martin Associates has developed a similar economic impact analysis for the Port of Oakland, San Francisco International Airport, Oakland International Airport, San Jose International Airport, the Port of Sacramento and Sacramento International Airport.

It is to be emphasized that only measurable impacts are included in this study. In order to ensure defensibility, the Martin Associates' approach to economic impact analysis is based on data developed through an extensive interview and telephone survey program of the firms participating in each of the lines of business operated by the Port of San Francisco. Specific re-spending models have been developed for the Bay Area to reflect the unique economic and consumer profiles of the Bay Area economy. To further underscore the defensibility of the study, no standardized seaport impact models are used. Instead, the resulting impacts reflect the uniqueness of the individual Port operations, as well as the surrounding regional economy.

1. IMPACT DEFINITIONS

The impacts are measured separately for commercial, industrial, and service activity of the Port of San Francisco's real estate tenants; cargo activity at the Port's marine terminals; cruise activity at the Port; ship repair activity; commercial and sport fishing and fish processing/wholesale activities by Port tenants; and the miscellaneous Port activity.

The impacts are measured in terms of:

- Jobs (direct, induced and indirect)
- Personal income
- Business revenue
- State and local taxes.

Each impact measurement is described below:

Direct, Induced and Indirect jobs. Direct jobs are those that would not exist if activity by Port of San Francisco tenants and at Port of San Francisco cargo, cruise and ship repair facilities were to cease. Direct jobs with the tenants of the Port of San Francisco's real estate holdings are essentially a count of the employees of the tenants and sub-tenants. Direct jobs created by marine cargo activity at the Port of San Francisco's terminals are those jobs with the firms directly providing cargo handling and vessel services, including trucking companies, terminal operators and stevedores, members of the International Longshore and Warehouse Union, freight forwarders and customhouse brokers, vessel agents, pilots and tug assist companies. The direct jobs with the ship repair tenants include the employees of the shipyards as well as the employees of the subcontractors working on the repair jobs. Direct employees created by the cruise operations include the jobs with the firms providing the direct vessel services -- tugs, pilots, longshore workers, line handlers, local advertising firms, caterers, liquor wholesalers, linen companies, security firms, waste disposal firms, ship repair operations -- as well as the firms providing services to the passengers on the vessels -- hotels, taxi cabs, restaurants, tour packages. Direct jobs with the Port's fishing operations include the fishing fleet crew, as well as employees of the commercial and sport fishing and fish processors/fish wholesalers that are tenants of the Port of San Francisco.

Induced jobs are jobs created in the Bay Area by the purchases of goods and services by those *individuals* directly employed by each of the Port's lines of business. These jobs are based on the local purchase patterns of Bay Area residents. The induced jobs are jobs with grocery stores, restaurants, health care providers, retail stores, local housing/construction industry, and transportation services, as well as with wholesalers providing the goods to the retailers.

Indirect jobs are created throughout the Bay Area as the result of purchases for goods and services by the *firms* directly impacted by the Port of San Francisco, including the real estate tenants, ship repair facilities, and the firms providing services to cargo and cruise passenger operations, and the fishing fleet and fish processors/wholesalers. The indirect jobs are measured based on actual local purchase patterns of the directly dependent firms, and occur with such industries as utilities, transportation services, office supplies, raw materials suppliers, maintenance and repair, and construction.

The **personal income impact** consists of wages and salaries received by those directly employed by Port activity, and includes a respending impact which measures the personal consumption activity in the Bay Area of those directly employed as the result of the Port of San Francisco. Indirect personal income measures the wages and salaries received by those indirectly employed.

Business revenue consists of total business receipts by firms providing services in support of the marine cargo activity, ship repair activity, cruise operations, and miscellaneous activity at Port of San Francisco facilities, film/television activity on Port property, private construction investment on Port property, and the Port of San Francisco administrative operations. The business revenue impact of the real estate tenants represents business sales by the tenants.

Local purchases for goods and services by the directly impacted firms is also measured. These local purchases by the dependent firms create the indirect impacts.

State and local taxes include taxes paid by individuals as well as firms dependent upon the Port of San Francisco cargo, cruise, ship repair and real estate activity. Tax revenue from all taxes are included. The key sources of state taxes are the personal income tax; retail sales and use taxes; bank and corporation taxes; insurance gross premiums tax; the cigarette and tobacco tax; inheritance, state and gift taxes; vehicle license fees; and miscellaneous state taxes. Key county taxes include property taxes; sales and use taxes; and lodging taxes. Municipal taxes include secured and unsecured property tax (including the possessory interest tax paid by Port of San Francisco tenants in lieu of property taxes); sales and use taxes; transient lodging tax; employers payroll tax; business license tax; utility user's tax; transportation taxes (both transit and non-transit); voter approved indebtedness property tax; other non-property taxes, as well as licenses and permit fees.

2. METHODOLOGY

The impacts of the Port of San Francisco were estimated based on interviews with 876 firms in the Bay Area, including more than 650 tenants of the Port of San Francisco. Another 176 sub-tenants were interviewed, as well as an additional 50 maritime services companies such as freight forwarders, and steamship agents providing services to the marine cargo activities at the Port and at other Bay Area ports.[1] It is to be emphasized that a 100% response rate was achieved from the port tenants, sub-tenants, and marine service firms. The direct impacts are measured at the firm level of detail, and aggregated to develop the impacts for each of the Port of San Francisco's lines of business. Each firm surveyed provided Martin Associates with detailed employment levels (both full time and part time), annual payroll, local purchases and the residence of the employees.

The induced impacts are based on the current expenditure profile of residents in the San Francisco area, as estimated by the U.S. Bureau of Labor Statistics, "Consumer Expenditure Survey". This survey indicates the distribution of consumer expenditures over key consumption categories for San Francisco area residents. The consumption categories are:

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[1]The economic impact of the marine cargo and vessel activity at the Port of San Francisco marine terminals is based on a telephone survey of members of the Bay Area maritime community. Participants were identified by the Port of San Francisco, and the Journal of Commerce, "Port Telephone Tickler". In addition, Martin Associates also identified and interviewed freight forwarders, surveyors, chandlers, vessel agents, warehouses, etc. that are not Port tenants, but who are involved in providing cargo handling and vessel services to the Port's marine terminals. About 50 of these non-Port tenants were included in the analysis.

- Housing
- Food at Restaurants
- Food at Home
- Entertainment
- Health Care
- Home Furnishings
- Transportation Equipment and Services.

The estimated consumption expenditure generated as a result of the respending impact is distributed across these consumption categories. Associated with each consumption category is the relevant retail and wholesale industry. Jobs to sales ratios in each industry are then computed for the Bay Area, and induced jobs are estimated for the relevant consumption categories. It is to be emphasized that induced jobs are only estimated at the retail and wholesale level, since these jobs are most likely generated in the San Francisco area. Further levels of induced jobs are not estimated since it is not possible to defensibly identify geographically where the subsequent rounds of purchasing occur.

"The Consumer Expenditure Survey" does not include information to estimate the job impact with supporting business services, legal, social services, state and local governments, and educational services. To estimate this induced impact, a ratio of state of California employment in these key service industries to total state of California employment is developed. This ratio is then used with the direct and induced consumption jobs to estimate induced jobs with business/financial services, legal, educational and other social services.

The indirect impacts are estimated based on the local purchases by the directly dependent firms, combined with indirect job, income and revenue coefficients for the supplying industries in the Bay Area (City and County of San Francisco, as developed for Martin Associates by the U.S. Bureau of Economic Analysis, Regional Input/Output Modeling System).

3. ECONOMIC IMPACT MODELS

The impacts are measured for the fiscal year ending June 30, 1999, and computer models for each line of business have been developed to test the sensitivity of the impacts to changes in economic conditions and facility utilization. It is to be emphasized that this study is designed to provide a framework which the Port of San Francisco can use in formulating and guiding the future development of Port owned real estate.

3.1 Real Estate Sensitivity

As part of this impact study, a detailed economic impact model of the Port of San Francisco real estate tenants has been developed. The purpose of this model is to provide a tool for the Port of San Francisco to:

- Analyze various growth scenarios for particular industries - For example, the model can be used to estimate future jobs, earnings, tax and revenue impacts generated at the firm or industry level of detail under various assumptions as to growth in those industries.

- Assess alternative land uses - If several industrial and retail uses are competing for a given parcel of land or vacant facility, the model can be used to rank each use in terms of economic benefit of a typical firm in each industry competing for the land or facility. This information will allow the Port to prioritize potential uses of the land or facility in question.

- Develop a public relations campaign - The results of the model can be used to demonstrate the economic benefit of a particular proposed new tenant. These economic benefits can be used to counteract potential economic costs such as highway congestion, industrial noise, and additional demand on utility services.

3.2 Marine Cargo Sensitivity

The cargo impact model is designed to test the sensitivity of impacts to changes in such factors as marine tonnage levels, seaport productivity and work rules, new marine facilities development, inland distribution patterns of marine cargo, number of vessel calls and the introduction of new ocean carrier service. The cargo impact model can also be used to assess the impact of developing a parcel of land as a marine terminal versus other non-cargo land uses. Finally, the marine cargo impact model can be used to assess the economic benefits of increased maritime activity due to infrastructure development and the opportunity cost of not undertaking specific maritime investments such as dredging or warehouse development.

3.3 Cruise Activity

The cruise service impact model provides a tool by which the Port can evaluate changes in the types of cruises being offered, the size of vessels deployed, the number of passengers per cruise, the share of passengers staying overnight in Bay Area hotels prior to or after the cruise, and the share of cruises home-porting at the Port versus in-transit calls. The cruise model can also be used to quantify the potential impact of new services, by size of vessel and type of cruise. Finally, the cruise impact model along with the marine cargo model can be used to evaluate the economic impact of a marine terminal for use as a cruise terminal versus a cargo terminal.

3.4 Ship Repair Sensitivity

The ship repair impact model tests the sensitivity of the impacts to changes in the volume of ship repair yard contracts, the overall mix of contracts by type of vessel and market sector, length of time a vessel is in the shipyard and the number of crew on-board the vessel while at the ship repair facilities. The ship repair model also provides a tool by which the impact of each new project can be evaluated, as well as the impact of new investment in the drydock in order to expand markets in which the repair facility can compete.

3.5 Fishing Industry Model

A fishing industry model has also been developed to assess the economic benefits of the fishing vessels based at Fisherman's Wharf as well as the fish processors, wholesalers and marine supply companies that are Port tenants. The model can be used to assess the impact of the development of new processing facilities, as well as the expansion of the number of fishing vessels at Fisherman's Wharf, and be used to justify federal and state grant investments in such industrial development.

3.6 Miscellaneous Models

A construction impact model has been developed that can be used to measure the economic impacts of various types of construction activity by private entities on Port-owned land. The model can be used to quantify the impacts of such construction activity at the new San Francisco Giants Baseball Stadium and construction and renovations at Pier 1. The construction impact model can also be used to assess the economic impacts of construction expenditures by the Port of San Francisco as well as private investment in Port-owned property.

4. SUMMARY OF RESULTS

Exhibit 1 summarizes the results of the economic impact analysis of the Port of San Francisco.

4.1 Total Bay Area Economic Impacts

In fiscal year 1999, the Port of San Francisco created nearly 30,000 jobs for Bay Area residents. Of these 29,531 jobs, 9,798 jobs are directly created, while another 5,211 induced jobs are supported in the Bay Area as the result of local purchases by those directly employed by Port of San Francisco activity. In addition, there are 14,522 indirect jobs supported in the Bay Area as the result of $729 million of local purchases.

The 9,798 direct jobs received $340.6 million of direct wage and salary income, for an average earnings of $34,761 per direct employee. As the result of local purchases with this $340.6 million of direct wages and salaries, an additional $339.6 million of additional income and local consumption expenditures were created in the Bay Area. It is this re-spending impact that supported the 5,211 induced jobs.[2] The indirect jobs were paid an annual income of $388.7 million. In total, $1.1 million of personal income was created in the Bay Area as the result of the Port of San Francisco operations.

Local businesses operating at the Port of San Francisco received $1.7 billion of sales revenue and made $729 million of local purchases. It is these local purchases that created the 14,522 indirect jobs.

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[2]The induced income impact also includes local consumption expenditures and should not be divided by induced jobs to estimate the average salary per induced job. This would overstate the average salary.

Exhibit 1
Economic Impacts of the Port of San Francisco

IMPACT MEASURES	SAN FRANCISCO	BAY AREA
JOBS		
Direct	5,399	9,798
Induced	2,871	5,211
Indirect	NA	14,522
TOTAL	8,270	29,531
INCOME ($1,000)		
Direct	$187,657	$340,585
Induced	$187,132	$339,631
Indirect	NA	$388,728
TOTAL	$374,789	$1,068,944
REVENUE ($1,000)	$1,677,912	$1,677,912
LOCAL PURCHASES ($1,000)	NA	$728,981
STATE AND LOCAL TAXES ($1,000)		
State	NA	$94,176
Local	$19,130	$26,614
TOTAL	$19,130	$120,790

The Port of San Francisco activity created a total of $120.8 million of state and local tax revenue in fiscal year 1999. The state of California received $94.2 million, while the local (county and municipal) governments received $26.6 million in tax revenue from Port of San Francisco operations. Of the $26.6 million of local tax impacts, the majority, 52% were paid in property taxes, while another 28% were paid in sales and use taxes. About 11% of the taxes were paid in utility taxes. Exhibit 2 shows the breakdown of the local taxes created in the Bay Area.

Exhibit 2
Distribution of the Local Tax Impact in the Bay Area*

COUNTY AND LOCAL TAXES	BAY AREA TAX IMPACTS
Property Taxes	$13.9
Sales And Use Taxes	$7.4
Utility Users Taxes	$3.0
Other Local Taxes	$2.3
Total Bay Area Local Tax Impact	$26.6

* Distribution of local taxes by type of tax is based on the distribution of local taxes as presented in the State of California Cities Annual Report and Counties Annual Report

4.2 Port of San Francisco Impacts on the City and County of San Francisco

The impacts were allocated to the City and County of San Francisco based on the distribution of the direct jobs by place of residence. The allocation of the direct jobs by place of residence was based on the residency data by zip code collected from the Port tenants and the majority of the direct suppliers of services to the Port of San Francisco.[3]

Based on the allocation of the impacts to the City and County of San Francisco, it is estimated that 5,399 of the 9,798 direct jobs are held by residents of the City of San Francisco, and 2,871 induced jobs are held by San Francisco residents[4]. It is not possible to allocate the indirect jobs impacts by place of residency since it is not known the exact location of where the indirect purchases are made, as indirect impacts are estimated based on job multipliers applied to the local purchases. It is further estimated that San Francisco residents received $374.8 million of personal income from Port operations.

Tenants of the Port and firms that provide direct services to the Port's seaport and cruise operations (i.e., freight forwarders, stevedores, steamship agents, local trucking firms moving cargo to and from the seaport and delivering supplies to the cruise ships) received $1.7 billion of local revenue.

[3]The residency distributions were not available for construction activity, cruise operations and film and television activity at the Port. Instead these impacts were allocated based on the distribution of the balance of the direct jobs created by the other lines of business operated by the Port of San Francisco. These other lines of business made up 94% of the direct jobs impacts.

[4]Induced jobs are allocated to the City based on the share of direct jobs held by San Francisco residents. This allocation is based on the assumption that local purchases are made by individuals near where they reside.

Finally, the City and County of San Francisco received $19.1million of local tax revenue from port operations[5]. Of the $19.1 million of tax revenue generated for the City and County of San Francisco, about 46% or $8.8 million was paid in secured and unsecured property taxes. Of the property tax revenue impact, the Port tenants paid an estimated $3.2 million in possessory interest tax in lieu of property taxes.[6] In addition to the property tax impact, it is estimated that 17% of the taxes were paid in payroll taxes, 11% of the City and County tax impacts were sales and use taxes, and 8% were transportation taxes, both transit and non-transit taxes. These City and County taxes are shown in Exhibit 3.

Exhibit 3
Distribution of City and County of San Francisco Tax Impacts*
(Millions of Dollars)

TYPE OF TAX	CITY AND COUNTY OF SAN FRANCISCO TAX IMPACTS
Property Taxes	$8.8
Payroll Taxes	$3.3
Sales And Use Taxes	$2.2
Transportation Taxes	$1.5
Miscellaneous Taxes	$3.3
TOTAL	$19.1

* Based on the distribution of City and County of San Francisco and adjusted for the hotel tax. California State Controllers Office.

The distribution of the 9,798 direct jobs throughout the Bay Area are presented in Exhibit 4. As this Exhibit shows, 55.1% of the direct jobs are held by residents of the City and County of San Francisco, while 13% are held by residents of Alameda County, followed by 9.4% residing in Marin County and 9.0% in San Mateo County.

[5]It is likely that this impact for the City is underestimated, since none of the indirect activity is included in the City tax impact. The exclusion of the indirect impacts on the City of San Francisco tax impact is due to the fact that actual location of the firms and employees indirectly impacted by the Port operations cannot be determined with certainty and is thus excluded in order to ensure defensibility of the results.

[6]The $3.2 million possessory interest tax estimate is based on an assessed value of Port leases of $275 million, as provided to Martin Associates by City and County of San Francisco Assessor-Recorder Office.

Exhibit 4
Distribution of Port of San Francisco Generated Direct Jobs

COUNTY OF RESIDENCE	DISTRIBUTION	DIRECT JOBS
San Francisco	55.10%	5,399
Alameda	13.13%	1,286
Contra Costa	7.85%	769
Marin	9.43%	924
Napa	.50%	49
San Mateo	9.04%	885
Santa Clara	.95%	93
Solano	2.03%	199
Sonoma	1.60%	156
Other	.37%	38
TOTAL	100.0%	9,798

4.3 Port of San Francisco Impacts by Line of Business

Exhibit 5 on the following page, shows the economic impacts of Port of San Francisco by line of business. As this exhibit shows, the real estate tenants of the Port account for the majority of the Port of San Francisco impacts. The real estate tenants account for 73% of the direct, induced and indirect jobs, 69% of the personal income impacts, and 71% of the revenue impacts. The same tenants contributed 61% of the local purchases and created 69% of the state and local tax impacts.

The marine cargo operations created the second largest economic impact, followed by the Port of San Francisco fishing operations (which include the fishing vessels docked at Fisherman's Wharf, as well as the fish processors and fish wholesalers that are tenants of the Port of San Francisco).[7] Film and television operations on Port property contributed the fourth largest job impact, followed by construction activity on Port property. It is to be emphasized that the construction activity impacts are one-time impacts, and are not on-going annual impacts as generated in the other lines of business.

The balance of the report describes the impacts created within each line of business.

[7]The fish processors and wholesalers that are retail tenants of the Port are not double counted in the real estate tenant impacts.

Exhibit 5
Summary of Impacts by Line of Business

IMPACT MEASURES	REAL ESTATE	CARGO	CRUISE	SHIPYARD	CONSTRUCTION	PORT OF SF	FILM/TV	FISHING	TOTAL
JOBS									
Direct	7,202	902	89	328	143	231	351	552	9,798
Induced	3,532	629	46	208	101	181	248	266	5,211
Indirect	10,819	1,054	69	NA	859	241	793	687	14,522
TOTAL	21,553	2,586	204	536	1,103	652	1,393	1,505	29,531
INCOME ($1,000)									
Direct	$227,069	$50,311	$2,324	$12,521	$5,837	$12,920	$14,461	$15,143	$340,585
Induced	$226,433	$50,170	$2,318	$12,485	$5,820	$12,884	$14,420	$15,100	$339,631
Indirect	$284,967	$30,452	$1,597	NA	$25,810	$7,378	$23,091	$15,433	$388,728
TOTAL	$738,468	$130,933	$6,239	$25,006	$37,467	$33,182	$51,972	$45,676	$1,068,944
REVENUE ($1,000)	$1,192,041	$163,369	$11,860	$36,478	$49,750	$42,741	$55,487	$126,186	$1,677,913
LOCAL PURCHASES ($1,000)	$446,007	$95,606	$5,079	$15,173	$52,342	$40,412	$48,428	$25,935	$728,981
STATE AND LOCAL TAXES ($1,000)	$83,447	$14,795	$705	$2,826	$4,234	$3,750	$5,873	$5,160	$120,790

Totals may not add due to rounding.

II. ECONOMIC IMPACTS OF THE PORT OF SAN FRANCISCO REAL ESTATE HOLDINGS

This chapter describes the economic impacts created by the real estate tenants of the Port of San Francisco, which include jobs, personal income, business revenue and taxes. For example, impacts are measured for all tenants of the Fisherman's Wharf area; the Ferry Building; various office complexes and piers; property on Terry Francois Boulevard; and various seawall lots. It is to be emphasized that the tenants of Port property are in some cases engaged in marine cargo, cruise operations, fishing operations and ship repair activity. As a result, the impacts of such tenants have been attributed to those lines of business.

With respect to the real estate analysis, the majority of the impacts with the real estate tenants of the Port of San Francisco are generated by the demand for the goods and services produced by the tenants, and not by activity specific to transportation services provided by the Port[8]. As a result, most of the impacts generated by tenants of the Port of San Francisco real estate holdings are related to the Port of San Francisco, but not directly dependent upon Port activities. Some of these companies are located on Port property as a direct result of efforts by the Port of San Francisco to recruit them, and would likely not have located in San Francisco otherwise. Other firms would likely have located in San Francisco anyway. It is impossible to defensibly quantify which firms are which.

1. ECONOMIC IMPACT STRUCTURE

The impacts are measured at three levels of detail:

- Typical firm level
- Industry category level
- Industry sector level.

The impacts are estimated based on the results of survey data at the firm level of detail. The individual firms providing the data are then grouped into industry categories. These industries are then grouped into industry sector levels.

The survey results are also used to develop a profile for a typical firm in an industry category. A typical firm profile consists of the following information:

- average direct employment per firm
- average annual earnings per employee
- average revenue per employee
- average employees per square foot of building space
- average local purchases per employee.

[8]Ferry services provided by some of the Port's real estate tenants do provide a direct transportation service.

The impacts of a typical firm are then expanded to the corresponding industry category level based on the number of tenants in a given industry, as developed from the surveys. The estimated impacts at the industry category level are then combined to estimate the impacts at the industry sector level of detail:

- Retail/Restaurants/Tourism
- Office
- Industrial/Storage.

At each level of detail, the five types of impacts are estimated:

- Job Impacts
- Personal Earnings Impacts
- Business Revenue
- Local Purchases
- Tax Impacts.

It is to be emphasized that the direct and induced job impacts and wage and salary income are the major focus of the analysis[9]. This focus is on job impacts, since the direct jobs are typically the most defensible measure of the economic contribution of an industry or firm to the local economy, and these direct job impacts drive the personal income impact. Furthermore, the induced jobs are driven by earnings and the respending of earnings throughout the economy. For example, industries and firms in those industries paying higher salaries will generate a greater induced job impact than firms paying lower salaries. Therefore, the level of induced jobs generated by an industry or typical firm in that industry will reflect the personal earnings impact as well.

Finally, the revenue impact is, in many cases, a national rather than local impact, since only that portion of the revenue paid out in salaries to local residents, used for local purchases, or used for state, county and local tax payments can be isolated to a local level. Other portions of the revenue impact are distributed throughout the country, or perhaps overseas. For example, for facilities in San Francisco that are branch plants or facilities with parent firms located outside of the region, the portions of revenue used for retained earnings will flow out of the region to company headquarters. Similarly, corporate taxes will be paid by such out-of-county headquarters to the states in which the company is incorporated. Only those portions of the revenue earned that are used for wages and salaries, local purchases or taxes paid to local and state governments can be identified as a local or regional impact.

2. IMPACT SUMMARY

Exhibit 6 shows the economic impacts of the Port of San Francisco real estate tenants.

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[9]Wages in restaurants do not include tips.

Exhibit 6
Economic Impacts of the Port of San Francisco
Real Estate Tenants

IMPACT MEASURES	SAN FRANCISCO	BAY AREA
JOBS		
Direct	4,483	7,202
Induced	2,199	3,532
Indirect	NA*	10,819
TOTAL	6,682	21,553
INCOME ($1,000)		
Direct	$141,328	$227,068
Induced	$140.932	$226,433
Indirect	NA*	$284,967
TOTAL	$282,260	$738,468
BUSINESS REVENUE ($1,000)	$1,192,041	$1,192,041
LOCAL PURCHASES ($1,000)	NA*	$446,007
STATE AND LOCAL TAXES ($1,000)		
State	NA*	$65,089
Local	$14,195	$18,358
TOTAL	$14,195	$83,447

* The allocation of indirect jobs to the City and County of San Francisco cannot be made with certainty, and as a result, no estimates are made for indirect jobs and indirect income in San Francisco. All business revenue is included as a San Francisco impact since the revenue is earned by the real estate tenants located in San Francisco. San Francisco taxes are based on the level of business activity created by the Port tenants in San Francisco and includes all City taxes as well as the possessory interest tax paid by Port real estate tenants.

In fiscal year 1999, the real estate tenants of the Port generated 21,553 direct, induced and indirect jobs in the Bay Area. Of these total jobs, the tenants directly employed 7,202 San Francisco and Bay Area residents. These area residents earned $227.1 million of wages and salaries. A portion of this income was spent on local purchases, in turn generating additional consumption expenditures and income in the Bay Area. Using the regional income multiplier, the use of the direct earnings for local purchases resulted in additional income and consumption expenditures totaling $226.4 million. As the result of the $226.4 million of respending of the direct wage and salary income, 3,532 induced jobs were generated in the local and regional economy. The tenants generated about $1.2 billion of business sales revenue. Of the $1.2 billion of sales revenue, $446 million were used to purchase goods and services from local vendors, which supported the 10,819 indirect jobs in the Bay Area economy. State and local governments received $83.4 million of tax revenue, of which the state of California received $65.1 million and the municipal and county governments received $18.4 million of tax revenue from the activity of

Port real estate tenants. The City and County of San Francisco received $14.2 million of tax revenue.

The majority (62%) of those holding the 7,202 directly generated jobs by the Port's real estate tenants reside in the City and County of San Francisco. Nearly 13% of the 7,202 directly employed reside in Alameda County, while 8.5% reside in Marin County, followed by San Mateo County. Exhibit 7 provides the distribution of the direct jobs by place of residence.

Exhibit 7
Distribution of the Direct Real Estate Tenant Jobs
By Place of Residence

COUNTY OF RESIDENCE	DISTRIBUTION	DIRECT JOBS
San Francisco	62.24%	4,483
Alameda	12.68%	913
Contra Costa	6.11%	440
Marin	8.45%	609
Napa	0.31%	22
San Mateo	7.63%	550
Santa Clara	0.89%	64
Solano	0.93%	67
Sonoma	0.76%	54
TOTAL	100.00%	7,202

3. IMPACTS BY INDUSTRY SECTOR

The tenants of the Port of San Francisco real estate properties are classified into three major economic sectors, as follows:

- Retail/Restaurants/Tourism
- Office
- Industrial/Storage.

The retail, restaurant, and tourism sector includes restaurants, tourism related activities and retail stores, the majority of which are gift shops geared to the tourist trade. Within the restaurant sector, full service sit down restaurants, delis and snack bars are included. Retail firms include gift shops directed to city visitors as well as street vendors operating under Port permits. The tourism sector includes such visitor industry enterprises as museums, amusements such as those on Pier 39, parking facilities owned by the Port, ferry and excursion boats operating at Fisherman's Wharf, dinner boat cruises, pedicabs and carriages operating under port permits, and other attractions such as theaters located at Pier 39. Also included in this sector are the economic impacts created by marinas and yacht clubs located on Port property.

The office sector includes the general office space leased from the Port, such as those at the Ferry Building, the Agriculture Building, the Francisco Bay Office Park, artist studios under Port ownership at Pier 70, and offices and ticket outlets for public transportation leased from the Port of San Francisco.

The industrial and commercial storage sector includes industrial users such as Breda Transportation, SFCC Solid Waste Management, Specialty Crushing, Inc., Bedrock Concrete Mix, and West Coast Recycling operating on Port property (and not included in the marine cargo impacts), and commercial indoor and outdoor storage.

Exhibit 8 summarizes the economic impacts generated by industries in each of the sectors.

Exhibit 8
Economic Impacts of Port of San Francisco's Real Estate Tenants
By Industry Segment*

IMPACT MEASURES	RETAIL/ RESTAURANTS/ TOURISM	OFFICES	INDUSTRIAL/ STORAGE	TOTAL
JOBS				
Direct	4,011	2,988	203	7,202
Induced	1,554	1,863	115	3,532
Indirect	3,998	6,674	147	10,819
TOTAL	9,563	11,525	465	21,553
INCOME ($1,000)				
Direct	$77,891	$140,947	$8,230	$227,068
Induced	$77,673	$140,552	$8,207	$226,433
Indirect	$93,935	$185,930	$5,102	$284,967
TOTAL	$249,500	$467,429	$21,539	$738,468
REVENUE($1,000)	$273,243	$871,391	$47,407	$1,192,041
LOCAL PURCHASES ($1,000)	$155,293	$283,158	$7,556	$446,007
TAXES ($1,000)				
State	$21,990	$41,200	$1,898	$65,008
Local	$6,204	$11,620	$535	$18,359
TOTAL	$28,194	$52,820	$2,433	$83,447

*Totals may not add due to rounding

4. INDUSTRY IMPACTS

Exhibit 9, on the following page, shows the economic impacts by industry within each of the real estate tenant sectors.

Exhibit 9
Impacts by Industry Sector

INDUSTRY SECTOR	DIRECT JOBS	INDUCED JOBS	INDIRECT JOBS	TOTAL JOBS	DIRECT INCOME ($1,000)	INDUCED INCOME ($1,000)	INDIRECT INCOME ($1,000)	TOTAL INCOME ($1,000)	REVENUE ($1,000)	LOCAL PURCHASES ($1,000)	TAXES ($1,000)
RETAIL/RESTAURANT/TOURISM											
Full Service Restaurant	2,232	793	3,156	6,181	$35,170	$35,072	$73,554	$143,796	$118,900	$119,614	$16,249
Deli's	199	71	128	398	$3,214	$3,205	$2,872	$9,291	$14,315	$4,608	$1,050
Snacks	37	13	45	94	$533	$531	$1,038	$2,102	$2,819	$1,693	$238
Street Vendors	15	6	9	30	$313	$312	$152	$777	$779	$261	$88
Bus Sightseeing	50	22	74	146	$1,248	$1,245	$1,903	$4,396	$3,558	$3,000	$497
Pedicabs/Carrieges	16	10	3	29	$366	$365	$76	$807	$400	$120	$91
Museums	79	35	101	215	$2,067	$2,061	$21	$4,150	$6,765	$3,373	$469
Attractions	15	6	0	21	$343	$342	$0	$685	$882	$0	$77
Amusements	30	12	0	42	$638	$636	$0	$1,275	$1,779	$0	$144
Parking	47	21	13	82	$1,251	$1,248	$449	$2,948	$2,558	$571	$333
Ferry/Excursions	686	323	268	1,276	$20,065	$20,009	$7,101	$47,175	$53,138	$11,391	$5,331
Pier 39 Maintenance	80	43	0	123	$2,917	$2,909	$0	$5,825	$0	$0	$658
Gifts Retail	433	154	179	766	$6,874	$6,855	$6,141	$19,871	$57,394	$9,784	$2,245
Marinas	92	46	22	160	$2,891	$2,883	$628	$6,402	$9,956	$878	$723
SECTOR TOTAL	4,011	1,554	3,998	9,563	$77,891	$77,673	$93,935	$249,500	$273,243	$155,293	$28,193
OFFICES											
Office	2,955	1,849	6,669	11,473	$140,083	$139,691	$185,773	$465,547	$870,791	$282,888	$52,607
Artists	24	10	5	39	$600	$598	$135	$1,333	$600	$232	$151
Public Transportation	9	4	1	14	$264	$263	$22	$549	$0	$38	$62
SECTOR TOTAL	2,988	1,863	6,674	11,525	$140,947	$140,552	$185,930	$467,430	$871,391	$283,158	$52,820
INDUSTRIAL/STORAGE											
Indoor Commercial Storage	37	18	0	55	$1,124	$1,121	$0	$2,244	$4,499	$0	$254
Outdoor Commercial Storage	32	22	0	54	$1,796	$1,790	$0	$3,586	$3,825	$0	$405
Industrial	134	75	147	356	$5,311	$5,296	$5,102	$15,709	$39,083	$7,556	$1,775
SECTOR TOTAL	203	115	147	465	$8,230	$8,207	$5,102	$21,539	$47,407	$7,556	$2,434
TOTAL	7,202	3,532	10,819	21,553	$227,069	$226,433	$284,967	$738,468	$1,192,041	$446,007	$83,447

Totals may not add due to rounding

4.1 Retail/Restaurant/Tourism

With respect to total real estate tenant impacts, this sector accounts for 56% of the total real estate-generated direct jobs and 44% of direct, induced and indirect jobs. By comparison, the industries in this sector were responsible for 34% of the total personal income generated by Port's real estate tenants. The average total income impact per direct employee is $19,414 in this sector. As previously mentioned, restaurant wages do not include tips for purposes of this analysis. It is not possible to accurately quantify the average hourly wage inclusive of tips, since the peaking of tips by time of day and day of week cannot be determined with certainty.

In terms of direct jobs, the full service restaurants account for 2,232 (56%) of the 4,011 direct jobs in this sector, 65% of the direct, induced and indirect jobs in the sector, and 58% of the direct, indirect, and induced personal income impact. The full service restaurants also account for $118.9 million, or 44% of the total direct revenue created by Port tenants in this sector. Ferry and bay excursion cruises account for the second largest direct jobs impact, 686 jobs (17%) of the total direct jobs in this sector and also account for 13% of total direct, induced and indirect jobs created in this sector. The ferry and excursion boats also account for $47.2 million of total income which represents 19% of the total sector income. With respect to revenue, the ferry/excursion boats generated $53.1 million of revenue, or 19% of total sector revenue. Finally, retail gift stores account for the third largest job impact in this sector, creating 433 direct jobs (11% of the total sector jobs), 8% of the total direct, induced and indirect Bay Area jobs created in this sector, 8% of the total sector income impact and 21% of the sector revenue impact.

4.2 Office Sector

The office sector includes general purpose offices in such Port-owned properties as the Ferry Building, the Francisco Bay Office Park and the Agriculture Building; artist studios on Pier 70; and ticket offices of public transportation firms including AMTRAK and MUNI. This sector accounts for 42% of the direct jobs and 54% of the total real estate job impact, reflecting the large local purchases (and supporting indirect jobs) created by the office tenants. The office sector also accounts for 64% of the total direct, induced and indirect income created by the Port's real estate tenants, reflecting the relative high average annual earnings per employee of $47,171. The office sector accounted for 74% of the business revenue created by these real estate tenants and is also responsible for 64% of the total local purchases made by the Port's real estate tenants.

General purpose offices account for the majority of this sector's impacts.

4.3 Industrial/Storage Sector

The industrial/storage sector includes such Port tenant industries as firms producing concrete and insulation material, and waste management and recycling firms. These tenants account for 3% of total real estate tenants direct jobs, and 2% of total real estate direct, induced and indirect jobs. The firms in this sector also account for 3% of total direct, induced and indirect income. The average income of direct employees in this industry sector is $31,588. The

industrial firms generate the majority of the direct jobs, as well as all of the indirect jobs, reflecting the local purchases by these industrial firms.

5. IMPACTS OF A "TYPICAL FIRM"

The economic impacts were estimated for a typical firm in each industry within the three industry sectors. Understanding the impact of a typical firm in each industry is key in formulating development plans and evaluating alternative development scenarios and land use. For example, if a new firm is planning to locate on Port property, it is important to be able to demonstrate the positive economic contribution such a firm will likely have on the local economy in terms of generating jobs, personal earnings, and tax revenue to local and regional governments.

Such information is also necessary in order to balance the positive economic benefits against the potential costs of further development. For example, a firm may require additional infrastructure, (e.g. rail extension) or other site improvements that the Port could provide. If the Port did not provide such infrastructure investment, the firm may not have located in the Bay Area, and the associated jobs with the firm would not have been generated in the local economy. Only by understanding both the benefits and costs of such Port investment can a rational decision be made as to the justification of the investment. Furthermore, by understanding the economic benefit of typical firms in specific industries competing for a limited number of development sites, it will be possible to identify the type of firm that would likely generate the greatest economic benefit to the community.

In the remainder of this section the economic impacts of a typical firm in terms of direct jobs are described. In cases where only one firm comprises the industry sector, income and business sales revenue are not presented due to confidentiality.

Exhibit 10 presents the typical firm impacts by sector. As demonstrated by this exhibit, within the retail/restaurant and tourism sector, full service restaurants, on average, create the largest number of direct jobs per firm. Ferry/excursion boats generated more jobs per firm, but these jobs are skewed by one large employer in this category.[10] The Pier 39 maintenance facility also creates 80 jobs. With respect to average earnings, the ferry and excursion boats pay an average of $36,000 per employee, followed by $27,000 per year for parking facilities and $26,000 per year for employees of museums. Restaurants, delicatessens, street food vendors, and retail store employees receive relatively low salaries, $16,000 and less, which results in a lower induced job impact per direct job than is the case for higher paying jobs. This salary amount may be understated as tips were not included for full service restaurants.

With respect to the office sector, general offices create the jobs with the greatest average earnings, $47,000, and create about 14 jobs, on average, per establishment. On average, the offices are 255 sq.ft. per office employee for the Port tenants.

[10]The land side office functions associated with the ferry and excursion boats are included in the office sector, along with square footage characteristics.

A "typical industrial firm located on Port property" creates about 17 direct full-time equivalent jobs per establishment, and pays about $40,000 per employee. Outdoor commercial storage offers the highest annual salary of $57,000, but only employs about 4.5 people per facility. Furthermore, each outside storage facility requires about 9,269 sq.ft. per employee.

Exhibit 10
Impacts by Typical Firm

INDUSTRY SECTOR	JOBS/$1MM REVENUE	DIRECT JOBS (FTE's)	FIRMS	SALARY ($1,000)	JOBS/1,000 SQ.FT.
RETAIL/RESTAURANT/TOURISM					
Full Service Restaurant	18.8	79.7	28	$15.8	6.1
Deli's	13.9	12.4	16	$16.2	5.2
Snacks	13.0	7.3	5	$14.5	15.4
Street Vendors	19.2	2.1	7	$20.9	NA
Bus Sightseeing	14.1	16.7	3	$25.0	NA
Pedicabs/Carriages	40.0	4.0	4	$22.9	6.5
Museums	11.7	26.3	3	$26.2	0.6
Attractions	17.0	15.0	1	$22.9	NA
Amusements	17.0	7.6	4	$21.1	1.0
Parking	18.5	9.4	5	$26.5	0.1
Ferry/Excursions	0.8	92.3	9	$32.7	NA
Pier 39 Maintenance	NA	80.0	1	$36.5	NA
Gifts Retail	7.5	5.9	74	$15.9	5.1
Marinas/Yacht Club	9.3	15.4	6	$31.3	0.1
OFFICE					
Office	3.4	13.8	214	$47.4	3.9
Artists	40.0	1.2	20	$25.0	0.9
Public Transportation	NA	4.4	2	$30.0	1.2
INDUSTRIAL/STORAGE					
Indoor Commercial Storage	8.2	2.9	13	$30.3	0.1
Outdoor Commercial Storage	8.2	4.5	7	$57.0	0.1
Industrial	3.4	16.8	8	$39.6	0.2

III. ECONOMIC IMPACTS OF MARINE CARGO ACTIVITY AT THE PORT OF SAN FRANCISCO MARINE TERMINALS

In fiscal year 1999, about 1.1 million tons of bulk and breakbulk cargo moved through the Port of San Francisco marine terminals.[11] In addition, about 14,000 containers moved via the Port's Pier 80. In total, 30 bulk and breakbulk vessel calls were recorded at Piers 80 and 92, while 94 container vessels called at Pier 80.

1. ECONOMIC IMPACT STRUCTURE

A deep water port such as San Francisco contributes to the local, regional, and national economies by providing employment and income to individuals, tax revenues to local and state governments, customs fees to the Federal Government, and revenue to businesses engaged in handling, shipping, and receiving cargo via the port. Activity at a seaport (i.e., the handling of cargo and the servicing of vessels) creates four types of impacts:

- Employment Impact - the number of full-time equivalent jobs generated by activity at the marine terminals owned by and/or leased by the Port of San Francisco. These jobs consist of jobs directly generated by port activity as well as induced jobs, which are jobs created in the Bay Area due to the purchase of goods and services by those individuals directly dependent upon port activity.

- In addition, indirect jobs, or those jobs generated in the local economy due to the local purchases of goods and services by firms directly dependent upon cargo and vessel activity at the San Francisco marine terminals are also measured as part of the employment impact.

- Income Impact - the level of earnings associated with the jobs created by cargo and vessel activity, and adjusted to reflect respending throughout the economy.

- Revenue Impact - the sales generated by firms engaged in handling and transporting cargo through the Port of San Francisco marine terminals. This impact includes national as well as local and state revenue. The value of shipments through the Port is not included as a revenue impact for the purposes of this analysis.

- Tax Impacts - the state and local tax revenues generated by port activity. These are taxes paid by individuals and firms directly dependent upon the maritime activity.

The shipment and receipt of cargo through the Port of San Francisco marine terminals and the servicing of vessels calling these terminals create economic impacts in two key business sectors of the Bay Area economy. These are the:

[11]Tonnage is based on Port of San Francisco records and interviews with the terminal operators handling bulk cargoes. Bulk cargoes include domestic aggregate shipments.

- Surface Transportation Sector
- Maritime Service Sector.

Within each sector, various participants are involved. Separate impacts are estimated for each of the participants. A discussion of each of the economic impact sectors is provided below, including a description of the major participants in each sector.

(1) The Surface Transportation Sector

The surface transportation sector consists of both the railroad and trucking industries. These sectors are responsible for moving the various cargoes between the Port and their inland origins and destinations. In general, the majority of the cargo moves to and from the terminals by truck..

(2) The Maritime Service Sector

This sector consists of numerous firms and participants performing functions related to the following maritime services:

- Marine Cargo Transportation
- Vessel Operations
- Cargo Handling
- Federal, State, and Local Government Agencies.

A brief description of the major participants in each of these categories is provided below:

Marine Cargo Transportation - Participants in this category are involved in arranging for inland and water transportation for export or import freight through the Port of San Francisco. The freight forwarder/customhouse broker is the major participant in this category. The freight forwarder/customhouse broker arranges for the freight to be delivered between the marine terminals and inland destinations, in addition to the ocean transportation. This function performed by freight forwarders and customhouse brokers is most prevalent for containerized commodities.

Vessel Operations - This category consists of several participants:

- Steamship Agents - provide a number of services for the vessel as soon as it enters the Port; the agents arrange for pilot services and towing, for medical and dental care of the crew, and for ship supplies. The agents are also responsible for vessel documentation.

- Chandlers - supply the vessels with ship supplies (food, clothing, nautical equipment, etc.).

- Pilots - provide navigational assistance to the vessel when entering and leaving port.

- Towing firms - provide the tug service to guide the vessel to and from port.

- Bunkering firms - provide fuel to the vessels.

- Marine surveyors - inspect the vessels and the cargo.

- Launch services - provide transportation for the crew between land and vessel.

- Shipyards/marine construction firms - provide repairs, either emergency or scheduled, as well as marine pier construction and dredging. Also included in this category are one-time impacts generated by the construction of marine facilities. An impact analysis of the Port of San Francisco ship repair facilities is estimated separately. These shipyard impacts are not included in the marine cargo impacts.

- Harbor Services - are firms such as tug operations and pilot associations that are tenants of the Port of San Francisco but provide services to several ports in the Bay Area, including San Francisco, Oakland and Richmond.

- Lay Berthing - The Port of San Francisco provides wharf space for vessels that are currently not in service. These vessels include vessels operated by the Military Sealift Command.

Cargo Handling - This category involves the loading and unloading of cargo to and from vessels at the Port. Included in this category are the following participants:

- Longshore - are members of the International Longshore and Warehouse Union, and are involved in the loading and unloading of cargo to and from the vessels, as well as handling the cargo prior to loading and after unloading.

- Stevedoring firms - manage the longshore and cargo-handling activities.

- Terminal operators/cargo operators - are often stevedoring firms who operate the marine terminals where cargo is loaded and off-loaded. These include dry bulk sand and gravel and tallow operations at the Port of San Francisco marine facilities.

- Warehouse operators - store cargo after discharge or prior to loading and consolidate cargo units into shipment lots.

- Container leasing and repair firms - provide containers to steamship lines and shippers/consignees and repair damaged containers.

- Container consolidators - consolidate containerized cargo in order to achieve favorable transportation rates for their customers.

Government Agencies - This service sector involves federal, state and local government agencies that perform services related to cargo handling and vessel operations at the Port. U.S. Customs, Bureau of Immigration, U.S. Department of Labor, U.S. Department of Agriculture, and U.S. Department of Commerce employees are involved. In addition, both civilian and military personnel with the U.S. Coast Guard and the U.S. Army Corps of Engineers have been included. Finally, the city police and fire departments are included as part of this category. These services are not necessarily all attributable to marine cargo activity, but to other Port operated lines of business as well.

2. COMMODITIES INCLUDED IN THE ANALYSIS

A major use of an economic impact analysis is to provide a tool for port development planning. As a port grows, available land and other resources for port facilities become scarce, and decisions must be made as to how to develop the land and utilize the resources in the most efficient manner. Various types of facility configurations are associated with different commodities. For example, automobiles require a large area for storage, while certain types of break bulk cargoes, (i.e. newsprint), require inside storage.

An understanding of the commodity's relative economic value in terms of employment and income to the local community, the cost of providing the facilities, and the relative demand for the different commodities is essential in making future port development plans. Because of this need for understanding relative commodity impacts, economic impacts are estimated for the following commodities handled via public and private facilities at the Port of San Francisco:

- Containerized Cargo
- Steel
- Tallow
- Dry Bulk
- Breakbulk
- Bagged Cargo
- Newsprint.

3. IMPACT SUMMARY

The economic impacts of the 1.1 million tons of cargo and the 14,000 containers handled at the Port of San Francisco are summarized in Exhibit 11.

Exhibit 11
Summary of Economic Impacts Generated by
Marine Cargo Activity in FY 1999

IMPACT MEASURES	SAN FRANCISCO	BAY AREA
JOBS		
Direct	114	902
Induced	80	629
Indirect	NA	1,054
TOTAL JOBS	194	2,585
PERSONAL INCOME ($1,000)		
Direct	$6,379	$50,311
Induced	$6,362	$50,170
Indirect	NA	$30,452
TOTAL INCOME	$12,741	$130,933
BUSINESS REVENUE ($1,000)	$163,369	$163,369
LOCAL PURCHASES ($1,000)	NA	$95,606
STATE AND LOCAL TAXES ($1,000)	NA	$11,540
State	$1,483	$3,255
Local	$1,483	$14,795
TOTAL		

4. TOTAL EMPLOYMENT IMPACT

It is estimated that 2,585 residents of the Bay Area are directly or indirectly employed by cargo and vessel activity at the Port of San Francisco's marine terminals. Of the 2,585 jobs:

- 902 direct jobs are generated by cargo moving through the Port of San Francisco. These jobs are classified as direct jobs and if cargo activity at the Port of San Francisco were to cease, these jobs would be discontinued.

- 629 individuals are employed by providing goods and services to the 902 individuals directly involved with marine cargo and vessel activity.

- Firms directly dependent on maritime activity at the San Francisco marine terminals made $95.6 million of local purchases for office supplies, parts and equipment, maintenance and repair services, business services, utilities, communications services and fuel. These local purchases supported 1,054 indirect jobs in the local economy.

The next section of this chapter is dedicated to the direct impact category of 902 jobs for San Francisco area residents.

4.1 Direct Job Impact

As a result of port activity, 902 full-time jobs were directly created by cargo and vessel activity at the San Francisco marine terminals[12]. In this section the direct jobs are analyzed in terms of:

- Distribution by economic sector
- Distribution by commodity group
- Distribution by place of residency.

These distributions are developed in more detail below.

(1) Job Impact by Sector

Exhibit 12 shows the job impacts by detailed job category. The majority (89%) of the direct jobs are held by firms in the maritime services sector, while about 11% of the direct jobs are created in the local and regional trucking industry. Within the maritime services sector, the majority of the jobs are created in support of the lay berthing operations including the jobs supporting maintenance and repair of those vessels, followed by the jobs with the firms in the harbor services category. More than 100 jobs are created with local cargo operations, which includes terminal operators and warehouse operators moving dry bulk cargo (sand and gravel and aggregates), agricultural products, and waste products. Examples of firms included in this category are Darling International, Mission Valley Rock, Tidewater Sand & Gravel, Parker Warehouse operations, and the Foreign Trade Zone.

[12] Jobs are measured in terms of full-time equivalent workers. If a worker is employed only 50% of the year, the job is reported as 0.5 direct jobs.

Exhibit 12
Employment Impacts by Job Category

ECONOMIC SECTOR/JOB CATEGORY	DIRECT JOBS
SURFACE TRANSPORTATION SECTOR	
Trucking	99
MARITIME SERVICES SECTOR	
Cargo Operators/ILWU	115
Steamship Agents/Forwarders	13
Government Agencies	46
Pilot Assists	2
Tug Assists	2
Lay Berthing	321
Harbor Services	294
Marine Construction	10
TOTAL	902

(2) Direct Job Impact by Commodity

Some of the 902 jobs considered to be generated by port activity can be associated with the handling of specific commodities or commodity groups. Employment with certain types of firms and organizations such as state, federal and local government agencies; and harbor services firms, is extremely difficult to assign to specific commodity groups, and if such an assignment is made, it is often done so arbitrarily. As a result, employment in these groups (which totaled 687 jobs) was not allocated to commodity groups.

Exhibit 13 presents the employment impacts in terms of commodity/commodity group, and for total maritime activity at the Port of San Francisco owned marine terminals.

Exhibit 13
Distribution of Direct Job Impact by Commodity

COMMODITIES	DIRECT JOBS	DIRECT JOBS PER 1,000 TONS
Containers	82	0.45
Steel	4	0.28
Tallow	59	1.50
Dry Bulk	59	0.06
Miscellaneous Breakbulk	4	0.40
Bagged Products	5	0.34
Newsprint	2	0.24
NOT ALLOCATED	687	NA
TOTAL	902	

This table indicates that in fiscal year 1999, the container handling operations generated the largest number of direct jobs, followed by dry bulk and tallow. When the direct job impact per 1,000 tons of cargo moved is estimated, the tallow operation creates about 1.5 jobs per 1,000 tons moved over the dock. This relatively high jobs per 1,000 ton impact is the result of the inclusion of the land based employees associated with the tallow operation. Containerized cargo generates the second largest number of jobs per 1,000 tons, followed by miscellaneous breakbulk cargo. Consistent with findings at other ports for which Martin Associates has conducted economic impact studies is the fact that dry bulk cargoes tend to create relatively fewer jobs per 1,000 tons, due to the large tonnage moving and the relatively low labor intensiveness of the vessel loading/discharge operation, as well as the terminal handling operation.

(3) Geographic Distribution of the Direct Job Impact

The majority of the firms responding to the interviews provided Martin Associates with the zip code distribution of their workforce. Based on these zip codes, the direct jobs were allocated to a city or county level of detail.

Exhibit 14 shows the distribution of the direct jobs by area within San Francisco and surrounding Bay Area counties.

Exhibit 14
Distribution of Direct Jobs
by Place of Residence

COUNTY OF RESIDENCE	DISTRIBUTION	DIRECT JOBS
San Francisco	12.68%	115
Alameda	16.96%	153
Contra Costa	15.56%	140
Marin	18.31%	165
Napa	2.05%	19
San Mateo	13.88%	125
Santa Clara	1.15%	10
Solano	8.88%	80
Sonoma	7.47%	67
Other	3.06%	28
TOTAL	100.00%	902

About 18% of those directly employed as the result of marine cargo activity reside in Marin County, followed by 17% in Alameda County, and 16% in Contra Costa County. About 13% of those directly employed reside in the City and County of San Francisco.

4.2 Induced Job Impact

The regional purchases by the 902 direct job holders with the direct income earned from marine cargo activity creates additional jobs throughout the San Francisco area. In fiscal year 1999, $50.3 million dollars was paid to those 902 individuals directly employed by marine cargo and vessel activity at the Port of San Francisco seaport. As the result of the respending of a portion of this income for purchases in the San Francisco region, an additional 629 induced jobs were generated throughout the Bay Area.

4.3 Indirect Job Impact

The firms directly dependent upon the vessel and cargo activity at the Port of San Francisco marine terminals made $95.6 million of purchases from local suppliers of parts and equipment, business services, maintenance and repair services, communications and utilities, office equipment, and fuel. These local purchases supported 1,054 local indirect jobs. If maritime activity at the San Francisco marine terminals were to cease, these indirect jobs would also be lost. To estimate these indirect jobs, actual local expenditures by port-dependent firms were estimated from the telephone surveys. The local expenditures were then multiplied by jobs to sales ratios for the supplying industries, as estimated by the Bureau of Economic Analysis, *Regional Input-Output Multiplier System.*

5. BUSINESS REVENUE IMPACT

The movement of cargo via the Port of San Francisco marine terminals generates revenue for firms providing cargo handling and vessel services. For example, revenue is received by surface transportation firms as a result of moving export cargo to the Port and distributing the imported commodities inland after receipt at the Port. The firms in the maritime service sector receive revenue from arranging for transportation services, cargo handling, warehousing, and providing services to vessels calling the port facilities. In addition, revenue is received by shippers/consignees from the sales of cargo shipped or received via the Port of San Francisco marine terminals and from the sales of products made with raw materials received through the Port.

The revenue generated by port activity consists of many components. For example, gross revenue is used to pay employee salaries and taxes, it is distributed to stockholders, and it is used for the purchases of equipment and maintenance services. Of these components, only three can be isolated geographically with any degree of accuracy. The personal income component of revenue can be traced to geographic locations based on the residence of those receiving the income. The local purchases by firms dependent upon maritime activity at the marine terminals are identified through the interviews and used to estimate the indirect job impacts. Finally, state and local taxes paid by individuals and businesses can be traced to a geographic location based on the residency of the individuals directly employed and the location of the firms dependent on maritime activity. The balance of the revenue is distributed in the form of non-local payments to firms providing goods and services to the five sectors, for the distribution of company profits to shareholders and to payment of federal taxes. Many of these firms and owners are located outside of the Bay Area, and, thus, it is difficult to trace the ultimate location of the distributed revenue (other than personal income, taxes and local purchases).

Exhibit 15 summarizes the $163.4 million revenue impact created by marine cargo activity. The majority (95%) of the $163.4 million revenue impact is received by the firms in the maritime services sector. Within the maritime services sector, the firms and associations in harbor services category received $68 million of revenue. Firms providing cargo operations such as the dry bulk and tallow operations received $47.8 million, while lay berth operations generated $29.8 million of revenue including expenditures for maintenance and repair (excluding expenditures by these vessels at Port of San Francisco ship repair facilities).[13]

[13]Revenue received by the Port of San Francisco from terminal leases, equipment leases, wharfage and dockage, etc. are included in the Port of San Francisco Administration impacts described in the last chapter of this report.

Exhibit 15
Total Revenue Generated by
Port Activity

ECONOMIC SECTOR/JOB CATEGORY	MILLIONS
SURFACE TRANSPORTATION SECTOR	
Trucking	$6.1
MARITIME SERVICES SECTOR	
Cargo Operators/ILWU	$47.8
Steamship Agents/Forwarders	$2.0
Government Agencies	$8.5
Pilot Assists	$.4
Tug Assists	$.8
Lay Berthing	$29.8
Harbor Services	$68.0
TOTAL	$163.4

Exhibit 16 shows the revenue impact by commodity for cargo moving over the Port of San Francisco terminals. In terms of total revenue, tallow generates the largest total revenue impact, followed by containerized cargo and dry bulk cargoes such as aggregates.

Exhibit 16
Revenue Impacts by Commodity
(Millions of Dollars)

COMMODITIES	REVENUE	REVENUE PER TON
Containers	$16.4	$91
Steel	$ .9	$67
Tallow	$18.9	$512
Dry Bulk	$13.4	$13
Miscellaneous Breakbulk	$.4	$37
Bagged Products	$.6	$19
Newsprint	$.2	$20
NOT ALLOCATED	$112.6	NA
TOTAL	$163.4	

On a per ton basis, tallow creates revenue over $500 per ton, and this reflects the value of the tallow production, as well as the revenue generated in handling the tallow and servicing the vessels moving the tallow. Containerized cargo creates the second largest revenue impact per ton, followed by steel.

6. PERSONAL INCOME IMPACT

The personal income received by those directly dependent upon port activity is one of the components of revenue that can be traced to the Bay Area. The income impact is estimated by multiplying the average annual earnings of each port participant, i.e., truckers, steamship agents, freight forwarders, firms in the harbor services category, firms in the cargo operations and stevedoring category, etc., by the corresponding number of jobs in each category. The individual annual earnings in each category multiplied by the corresponding job impact resulted in $50.3 million in personal income.

Based on data developed by the U.S. Bureau of Economic Analysis, it is assumed that for every one dollar earned by Bay Area residents as a result of jobs directly generated by port activity, an additional $.99 of income would be created as a result of respending the income for purchases of Bay Area-produced goods and services. Hence, an income multiplier of 1.9972 was used to estimate the total direct and induced income impact of $100.5 million, inclusive of the respending effect. This additional respending of the direct income generates the induced job impact.

7. LOCAL PURCHASES

In fiscal year 1999, the firms directly dependent upon the maritime activity at the Port of San Francisco marine terminals made $95.6 million of local purchases. These local purchases were for maintenance and repair services, communications services, office products, parts and equipment, fuel, utilities, etc. The $95.6 million of local purchases generated the 1,054 indirect jobs. These indirectly employed Bay Area workers received $30.5 million of indirect income.

8. TAX IMPACT

Marine cargo and vessel activity at the Port of San Francisco marine terminals generated $14.8 million of state and local taxes. Of the $14.8 million of state and local taxes, $11.5 million were collected at the state level, while the balance, $3.3 million was collected at the local level. Of the local taxes generated, it is estimated that the City of San Francisco received $1.5 million of tax revenue from marine cargo operations at the Port of San Francisco.

IV. ECONOMIC IMPACTS OF CRUISE SERVICE AT THE PORT OF SAN FRANCISCO

In fiscal year 1999, 46 cruise vessels called the Port of San Francisco. Of the 46 cruise vessel calls, 36 were Alaskan cruises, 5 were round-the-world cruises, while the other 5 calls were miscellaneous routings. Included in the 46 calls were 13 in-transit calls. The key difference between an in-transit call and a homeport call is the fact that a vessel home-porting will take on passengers and supplies at the Port of San Francisco, while a vessel making an intermediate in-transit call typically does not take on or discharge passengers and neither does the vessel take on supplies from local chandlers and caterers, as well as use local services such as advertising, maintenance and repair, linen services, etc. However, the in-transit passengers will spend the day in San Francisco sightseeing, shopping and dining, hence contributing to the local tourism sector of the economy.

To measure the economic impact of the cruise service, Martin Associates developed a cruise impact model. The model can be used to test the sensitivity of the impacts to changes in the percent of passengers flying into San Francisco (air/sea passengers) versus the percent of passengers driving to the Port, the local expenditures by air/sea passengers while in hotels either before or after the cruise, and the local purchases by the cruise lines for food, liquor, and other supplies and services. The impact of changes in the mix of the size of vessels and the number of cruises by size of vessel can also be evaluated using the model.

1. ECONOMIC IMPACT STRUCTURE

Cruise service related to the home porting of a vessel contributes to the local and regional economies by providing employment and income to individuals, tax revenues to local and state governments, and revenue to businesses engaged in providing operational services and supplies to the vessels and passengers. The flow of cruise industry-generated economic impacts throughout an economy creates four separate and non-additive types of impacts. These four types of impacts are:

- Employment Impact - the number of full-time equivalent jobs generated by cruise activity at the Port of San Francisco. This consists of jobs directly generated by the home porting of cruise vessels as well as induced jobs, or jobs created in the Bay Area due to the purchase of goods and services by those individuals directly dependent upon cruise activity.

- Income Impact - the level of earnings associated with the jobs created by cruise activity, and adjusted to reflect respending throughout the economy.

- Business Revenue Impact - the sales generated by firms engaged in supplying services and materials to the vessels while in port, as well as firms in the Bay Area visitor industry that supply services to cruise passengers staying in hotels before and after the cruise. The value of the cruise tickets is not included as a revenue impact for purposes of this analysis.

- Tax Impact - the state and local tax revenues generated by cruise activity. These are taxes paid by individuals and firms directly dependent upon the cruise activity.

2. IMPACT CATEGORIES

The impacts are generated in firms throughout many sectors of the local and regional economy. Separate impacts are estimated for each of the various economic categories supplying goods and services to the cruise ships and passengers. A discussion of each of the impact categories is provided below.

The typical expenditure profile of a cruise line while in port provides an understanding of the types of firms involved in providing goods and services to the vessel and its passengers. These expenditure categories are:

- Food and Beverages - This category includes wholesale food and liquor distributors. It is to be emphasized that in some cases the non-perishable food brought on board at the beginning of a cruise is not necessarily purchased locally, but based on contractual relationships and is trucked in from out-of-state. Similarly, in some cases, liquor is purchased from in-bond warehouses, and not from local distributors. Interviews with the cruise operators identified the amount spent locally.

- Logo Items - These items are typically purchased under contract and are trucked into the port of embarkation. Therefore, no local impact is estimated.

- Flowers - Local wholesale flower distributors supply flowers for each cruise.

- Public Relations and Advertising - Contracts are usually developed with local advertising firms to promote the cruise.

- Parking - Local parking management companies provide parking services for the passengers.

- Taxis/buses - Local taxis, and buses provide transportation between the airport and the ship or between the hotel and the ship for air/sea passengers.

- Security - Security services are hired while the ship is in port.

- Linen services - Contracts with local laundries for linen and laundry services.

- Pilots - Guide the cruise ships through the San Francisco Bay and into the terminal.

- Tugs - Tug services are required for certain cruise ships to assist in berthing.

- Stevedoring and Line Handling - are required in loading and unloading baggage and ship stores and in mooring the ship.

- Local Travel Agencies - Local travel agencies will receive a commission from ticket sales to area residents.

- Garbage Disposal - Solid waste and other refuse that cannot be discharged at sea will be disposed by local refuse collectors.

- Bunkers - Fuel will be purchased from local bunkering companies.

- Water - Most cruise ships reclaim water at sea, but will still purchase some water locally prior to departure.

- Visitor Industry - In addition to the impacts generated by direct vessel purchases, passengers from areas not within driving distance will likely stay in hotels either before or after the cruise. These individuals will typically purchase incidental retail items before or after the cruise and eat in local hotel restaurants while in the Bay Area. Also, these air/sea passengers will take cabs from the airport to the hotel or ship, as well as taxis between the hotel and the ship and throughout the city. In addition to passengers impacting the local visitor industry, the ship's crew will also impact the local industry. For example, the crew will likely purchase personal incidentals while in port. Also, a portion of the crew could be rotated on each sailing. The new crew will stay in a hotel upon arrival, while the departing crew will also stay in a hotel prior to leaving the area.

  In-transit passengers also impact the visitors industry since these passengers typically sightsee, dine and buy retail items while on-shore during the cruise vessel's call in San Francisco.

- Wharfage and Dockage - Port charges paid to the Port of San Francisco. These charges are reported under the impacts of the Port of San Francisco Administration, and not included as a revenue impact in the cruise industry impacts.

The economic impact analysis of cruise service at San Francisco is based on a telephone survey of cruise lines currently serving the Port of San Francisco. The interviews focused on typical expenditure profiles of a vessel while in port, as well as the percent of passengers that are air/sea versus the local passengers. The price of the land-side portion of the air/sea package was determined from the interviews to estimate local visitor industry impacts, as was the percent of crew that are rotated on each sailing. Incidental expenses by crew while in port were also estimated from the interviews.

3. IMPACT SUMMARY

During the 1999 cruise season, 80% of the cruises calling San Francisco were Alaskan calls, 11% were round-the-world cruises and the balance were miscellaneous cruises. A total of 64,581 passengers either boarded or disembarked at the Port of San Francisco during the cruise season, while 15,585 passengers were in-transit passengers, who boarded the vessels at other ports and did not end their journey at San Francisco. These in-transit passengers do have an

impact on the local San Francisco economy since they will typically participate in daily sightseeing activities of the City and purchase food and retail items while in the City.

The economic impact of the 46 cruise vessel calls at the Port of San Francisco is presented in Exhibit 17.

Exhibit 17
Economic Impact of Cruise Operations at the Port of San Francisco

IMPACT MEASURES	BAY AREA*
JOBS	
Direct	89
Induced	46
Indirect	69
TOTAL	204
PERSONAL WAGES/SALARIES ($1,000)	
Direct	$2,324
Induced	$2,318
Indirect	$1,597
TOTAL	$6,239
BUSINESS REVENUE ($1,000)	$11,860
LOCAL PURCHASES ($1,000)	$5,079
STATE AND LOCAL TAXES ($1,000)	
State	$550
Local	$155
TOTAL	$705

* The cruise impacts are estimated for the Bay Area only, since the impacts are based on purchases by the cruise lines and passengers while at the Port of San Francisco. In order to identify the specific location of those holding the 89 direct jobs it would be necessary to survey the passengers to determine the specific Bay Area location of the hotels used prior to and after the cruise, as well as the location of the firms providing services and supplies to the cruise lines while in Port. As a result, only Bay Area impacts are estimated.

4. JOB IMPACT

The cruise activity at the Port of San Francisco created 204 total jobs for Bay Area residents. Of these 204 jobs, 89 were direct jobs, 46 jobs were supported in the Bay Area as the result of the purchases of the 89 direct jobs holders, while another 69 indirect jobs were supported in local industries that supply services and goods to the tourism industry catering to

the passengers as well as to the chandlers and other firms supplying services and goods to the vessels while in Port.

5. PERSONAL INCOME IMPACT

The 89 direct job holders received $2.3 million of direct wages and salaries, for an average annual salary of $26,112. As the result of the purchases made locally with this income, (which supported the 46 induced jobs in the Bay Area) an additional $2.3 million of local income and consumption expenditures were created in the Bay Area. The 69 indirectly employed were paid $1.6 million, for a total wage and salary income impact of $6.2 million.

6. BUSINESS REVENUE IMPACT

Local businesses supplying food, beverages, and services to the cruise lines received $11.9 million of business revenue, excluding $362,000 of port fees collected by the Port of San Francisco. In addition, in order to support the services and goods supplied to the cruise lines by these firms, another $5.1 million of local purchases in the Bay Area were made by those firms providing direct services to the cruise lines. These local purchases supported the 69 indirect jobs in the local economy.

7. TAX IMPACT

Finally, as the result of cruise activity at the Port of San Francisco during the 1999 cruise season, $705,000 of state and local tax revenue was collected, of which $550,000 was collected by the state and $155,000 collected by local jurisdictions.

V. THE ECONOMIC IMPACTS OF SHIP REPAIR OPERATIONS BY PORT OF SAN FRANCISCO TENANTS

As part of the Port of San Francisco Economic Impact Study, Martin Associates conducted a detailed economic impact assessment of the ship repair operations that are performed by the tenants of the Port of San Francisco. The impacts generated by the ship repair work are measured in terms of:

- Jobs
- Personal Income
- Business Revenue
- State and Local Taxes.

These impacts are defined in the same manner as are the economic impacts of the marine cargo operations, the Port's real estate tenants activity, and the cruise operations at the Port of San Francisco. Therefore, direct comparisons can be made between the impacts generated by the marine cargo activity, ship repair activity, cruise services calling the Port's terminals, and real estate activity.

1. ECONOMIC IMPACT STRUCTURE

Expenditures associated with ship repair work typically occur in three ways. First, vessel owners contract directly with ship repair firms. The ship repair firms provide direct ship repair services with the companies' own employees and further purchase materials and subcontracting services. These subcontractor services include sandblasting, painting, boiler maintenance, electrical and machine part repairs, equipment replacement and maintenance. In turn, the subcontractors also purchase local parts, supplies and materials.

Secondly, vessel owners also make purchases directly from local vendors and suppliers of maritime services. For example, direct purchases include paint, mechanical, electrical and machine parts, flooring and carpeting, and ship stores and supplies. It is important to emphasize that the owners are not typically located in the Bay Area, and, hence, these expenditures represent "new" money to the region.

While the vessels are in the yard, crew members typically stay on-board performing routine maintenance tasks, including painting. In addition to the crew, owner's technical teams are deployed to the Bay Area to oversee repair work. These technical teams typically stay in local hotels. The crew on-board purchase food and entertainment services, and the technical team also generates economic impacts with the local hotels, rental car companies, and restaurants.

The impacts are estimated for the types of vessel market sectors served by the Port of San Francisco ship repair facilities. These vessel sectors are:

- Cruise
- Barge
- Cargo vessels, both foreign and U.S. flag dry bulk and container ships
- Military Sealift Command ships (MSC)
- Other government vessels
- Tugs
- Miscellaneous repair work.

The impacts are also estimated separately by job category for each of these market sectors. The job categories consist of:

- Prime Contractor: includes the full-time equivalent jobs.

- Subcontractors: includes local firms supplying goods and services to the prime contractors, as well as sub-subcontractors providing services to the subcontractors.

- Crew Purchases: includes impacts generated in hotels, restaurants, retail, rental car companies, and entertainment establishments.

- Owner direct purchases: includes impacts with equipment and part suppliers, paint distributors, miscellaneous equipment and parts.

2. IMPACT SUMMARY

The resulting economic impacts generated by the Port of San Francisco ship repair tenants are presented in Exhibit 18. The impacts are for ship repair activity by Port of San Francisco tenants that occurred in fiscal year 1999.

Exhibit 18
Summary of Economic Impacts Generated By
Activity at Port of San Francisco Ship Repair Facilities

IMPACT MEASURES	SAN FRANCISCO	BAY AREA
JOBS		
Direct	21	328
Induced	13	208
TOTAL	34	536
INCOME ($1,000)		
Direct	$782	$12,521
Induced	$781	$12,485
TOTAL	$1,563	$25,006
BUSINESS REVENUE ($1,000)	$36,478	$36,478
LOCAL PURCHASES ($1,000)	NA	$15,173
STATE AND LOCAL TAXES ($1,000)		
State		$2,204
Local	$515	$622
TOTAL	$515	$2,826

3. JOB IMPACT

The ship repair activity at the Port of San Francisco's facilities generated 536 full-time equivalent jobs for Bay Area residents. A full-time equivalent job is defined as a job requiring 2,080 hours annually. A person working only 50 percent of the time is classified as 0.5 jobs for purposes of this study. The 536 full-time equivalent jobs consist of:

- 328 direct jobs with the ship repair facilities; subcontractors; visitor industry firms; chandlers; electrical, paint and mechanical parts suppliers. These jobs would vanish if the ship repair facilities were no longer in business.

- As the result of purchases in the local economy by the 328 direct full time jobs, another 208 induced jobs were generated in the Bay Area.

3.1 Direct Job Impact

The focus of this section is on the 328 direct jobs created by activity at the ship repair facilities. The ship repair facilities participate in the following market sectors:

- Cruise market
- Barge market
- Cargo vessel market (dry bulk and container vessels)
- Government market (Military Sealift Command, U.S. Coast Guard, U.S. Navy, U.S. Maritime Administration, etc.)
- Tugs
- Miscellaneous vessels.

To estimate the jobs generated by ship repair activity, the tenants of the Port of San Francisco ship repair facilities provided the following data to Martin Associates:

- Contract value by market sector and the number of projects in each market sector.
- For each market sector, the composition of the contract value of a typical project:
  - Share spent on labor
  - Share spent on subcontractor and materials
  - Overhead.
- Labor costs, fully loaded to include:
  - Base rate
  - Health insurance
  - Workmen's compensation
  - Liability insurance
  - Miscellaneous benefits
  - Total hourly labor costs.
- Place of residence of workers.

Based on this data and interview results, ratios were developed to convert prime contract ship repair dollar values into required person hours. To estimate the direct jobs with subcontractors, the percent of contract value typically spent on local subcontractors and material purchases was estimated from the prime contractors interview results. The percent of subcontractor dollars distributed to different types of subcontract work (i.e., sandblasting, boiler cleaning and repair, and parts and materials purchases) was next developed. To estimate the full-time equivalent jobs with subcontractors, the share spent on each type of subcontract was then multiplied by jobs to sales ratios for the relevant subcontractors using data from the Census of Manufacturers, Census of Wholesale Trade and the Census of Service Industries.

Data and assumptions were also developed as to:

- the length of time the vessel stays in the ship repair yard.
- the number of crew that remains on board.
- the average daily expenditures while in the Bay Area by crew and technical team members.

The impact of the crew and technical team expenditures were estimated using the Martin Associates Visitor Industry Impact Model and were calibrated as part of this study for the Bay Area. This same model is used by Martin Associates in measuring the economic impacts of airport activity at the San Francisco International Airport and for homeport cruise operations at the Port of San Francisco. This model was combined with the typical per diem expenditures and the number of days the vessels were in the yard, by market sector. Direct jobs in the visitor industry were then estimated based on the number of yard days, by market sector, and the number of crew associated with a typical vessel project in each market sector.

3.2 Direct Jobs by Job Category

The direct job impacts by type of market sector are presented in Exhibit 19. As this exhibit shows, the repair work for Military Sealift Command (MSC) ships and Navy vessels accounts for 149 direct jobs, followed by the 102 direct jobs created by repair work on cargo vessels. Besides the direct jobs created by repair work, 38 jobs are not related to specific repair work, but are involved in management of the repair facilities.

Exhibit 19
Distribution of Direct Ship Repair Jobs
by Market Sector

MARKET SEGMENT	DIRECT JOBS
MSC, Navy and Other Government Vessels	149
Cargo Vessels	102
Cruise Vessels	20
Barge	12
Tugs	5
Miscellaneous	2
Administrative	38
TOTAL	328

3.3 Distribution of Direct Jobs by Place of Residence

The ship repair facilities provided a listing of where the employees live by zip code. This residency data was then used to show where the directly generated ship repair job holders reside within the Bay Area. These results are presented in Exhibit 20. As this exhibit shows, more than one-third of the directly employed ship repair workers reside in San Mateo County, followed by about 30% living in Contra Costa County. Another 15% live in Solano County and 6.25% reside within the City and County of San Francisco.

Exhibit 20
Distribution of Direct Ship Repair Jobs by
Place of Residence

COUNTY OF RESIDENCE	DISTRIBUTION	DIRECT JOBS
San Francisco	6.25%	21
Alameda	4.69%	15
Contra Costa	30.47%	100
Marin	1.56%	5
Napa	0.00%	0
San Mateo	34.38%	113
Santa Clara	3.13%	10
Solano	15.62%	51
Sonoma	3.90%	13
Other	0.00%	0
TOTAL	100.00%	328

4. PERSONAL INCOME IMPACT

The 328 direct job holders received $12.5 million of direct wages and salaries, and as the result of the use of this income for the purchases of goods and services, another $12.5 million of local consumption purchases are made, for a total personal wage and salary impact of $25 million in the Bay Area. These local purchases create the additional 208 induced jobs in the Bay Area.

5. BUSINESS REVENUE IMPACT

The ship repair facilities and the subcontractors and firms supplying materials and services to the repair facilities and to the vessel owners received $36.5 million of business revenue from repair activity at Port of San Francisco ship repair facilities in 1998, including $15.2 million of local purchases in the Bay Area. Due to confidentiality considerations, the revenue is not broken out by market sector.

6. TAX IMPACT

Finally, the ship repair activity by Port of San Francisco tenants contributed $2.8 million of taxes to the state and local governments. Of the $2.8 million, the state of California received $2.2 million while the local governments received $622,000. It is estimated that the City of San Francisco received $515,000 of tax revenue from the ship repair activity.

VI. ECONOMIC IMPACTS OF FISHING OPERATIONS

The Port of San Francisco provides and maintains slips for the local commercial and sport fishing vessels based at Fisherman's Wharf. These fishermen docking at the Port's facilities make local purchases from the local marine suppliers, and retail and grocery stores. In addition to fishing vessels using the Fisherman's Wharf slips, the Port also leases space to fish processors, fish wholesale operations and associated storage facilities, and marine supply stores servicing the fishing industry.

To estimate the impacts of commercial and sport fishing vessels, interviews were conducted with the key commercial and sport fishermen, who provided detailed purchase patterns to equip and operate the fishing vessels. The profiles were then applied to the total number of vessels occupying the Port's fishing slips. It is to be emphasized that care was taken to avoid double counting the impacts with marine suppliers and retailers that are the tenants of the Port, since these are included in the real estate impacts. The impacts associated with the fish processors, fish wholesale and storage operations, and the marine supply retailers located on Port property were estimated based on the interviews with these tenants.

1. IMPACT SUMMARY

Exhibit 21 presents the economic impacts created by the Port of San Francisco fishing operations. In fiscal year 1999, the fishing industry operating on Port of San Francisco property created 1,505 direct jobs, of which 552 were directly created, 266 were induced jobs supported by the local purchases by those directly employed, while the balance, 687 indirect jobs were supported in the Bay Area as the result of $25.9 million of local purchases by this industry sector.

The fishing operations created $15.1 million of direct income, for an average annual salary of $27,433. As a result of the local purchases with this direct income, another $15.1 million of income and consumption expenditures were created in the Bay Area, supporting the 266 induced jobs.

The Port of San Francisco fishing industry created $126.2 million of business revenue and created $5.2 million of state and local taxes, of which $4.0 million was received by the state of California and more than $1.1 million was received by local jurisdictions, of which the City of San Francisco received $1.0 million in tax revenues.

Exhibit 21
Economic Impacts of the Fishing Operations at the Port of San Francisco

IMPACT MEASURES	SAN FRANCISCO	BAY AREA
JOBS		
Direct	288	552
Induced	139	266
Indirect	NA	687
TOTAL JOBS	427	1,505
PERSONAL INCOME ($1,000)		
Direct	$7,905	$15,143
Induced	$7,882	$15,100
Indirect	NA	$15,433
TOTAL	$15,787	$45,676
BUSINESS REVENUE ($1,000)	$126,186	$126,186
LOCAL PURCHASES ($1,000)	NA	$25,935
STATE AND LOCAL TAXES ($1,000)		
State	NA	$4,025
Local	$1,043	$1,135
TOTAL	$1,043	$5,160

Exhibit 22 shows the distribution of the direct jobs by place of residence. As this exhibit shows, 52% of the direct fishing jobs are held by residents of the City of San Francisco, followed by 17% residing in Alameda County and 12% in Marin County.

Exhibit 22
Distribution of Direct Fishing Industry Jobs by
Place of Residence

COUNTY OF RESIDENCE	DISTRIBUTION	DIRECT JOBS
San Francisco	52.3%	289
Alameda	16.6%	91
Contra Costa	7.7%	43
Marin	11.6%	64
Napa	0.3%	2
San Mateo	9.1%	50
Santa Clara	1.4%	8
Solano	0.3%	1
Sonoma	0.7%	4
Other	0.0%	0
TOTAL	100.0%	552

2. IMPACTS BY SECTOR

Exhibit 23 shows the distribution of the fishing industry impacts by specific sectors of the Port of San Francisco's fishing operations. These 552 direct jobs are created in various sectors of the fishing industry. As Exhibit 23 shows, 252 (46%) of the direct jobs are with the fish processing tenants of the Port of San Francisco, followed by 236 jobs (43%) with the fishing vessels based at Fisherman's Wharf, and 9% with marine supply Port tenants providing services to fishing vessels and processors.

The fish processing tenants of the Port make $19.1 million of Bay Area purchases for supplies and services to support the processing business. These local purchases support 546 indirect Bay Area jobs. The level of local purchases by fishing vessels is relatively small, and excludes purchases from the Port's marine supply tenants in order to avoid double counting. These marine supply tenants employ 52 individuals directly and made $6.2 million of local purchases for supplies. These local purchases by the marine supply firms supported another 131 indirect jobs in the Bay Area.

Exhibit 23
Port of San Francisco Fishing Industry Impacts by Sector

IMPACT MEASURES	FISH PROCESSING	FISHING VESSELS	MARINE SUPPLY	FISH WHOLESALE/ STORAGE
JOBS				
Direct	252	236	52	12
Induced	116	127	18	5
Indirect	546	6	131	4
TOTAL	914	369	201	21
INCOME ($1,000)				
Direct	$7,045	$6,813	$976	$309
Induced	$7,024	$6,794	$974	$308
Indirect	$11,427	$118	$3,780	$108
TOTAL	$25,496	$13,725	$5,730	$725
REVENUE ($1,000)	$101,414	$8,709	$6,063	$10,000
LOCAL PURCHASES ($1,000)	$19,133	$472	$6,159	$171
STATE AND LOCAL TAXES ($1,000)				
State	$2,247	$1,209	$505	$64
Local	$634	$341	$142	$18
TOTAL	$2,881	$1,550	$647	$82

VII. MISCELLANEOUS ECONOMIC IMPACTS OF THE PORT OF SAN FRANCISCO

In addition to the economic impacts created by marine cargo and cruise vessels calling at the Port of San Francisco's terminals, those created by the ship repair operations of Port tenants, the impacts generated by the Port's real estate tenants, miscellaneous impacts are created by several port related operations. For example, the Port of San Francisco Administration employs staff and makes local purchases and construction expenditures for infrastructure; and the Port leases space to film and television crews. In addition, private sector investment also occurs on Port-owned property, such as the investments by the developers of the Port's new Pier 1 complex. These direct operations, as well as the related activity that occurs on Port-owned property, create economic impacts throughout the Bay Area in terms of direct, induced and indirect jobs, wages and salaries, business revenue and state and local taxes. In this chapter the impacts of these miscellaneous operations are quantified.

These related operations create the following economic impacts, as detailed in Exhibit 24. A total of 3,148 direct, induced and indirect jobs were created in the Bay Area as the result of these miscellaneous operations, along with $122.6 million of direct, induced and indirect wages and salaries, $141.2 million of local purchases, $148 million of business revenue and $13.9 million of state and local tax revenues.

Exhibit 24
Economic Impacts of Miscellaneous Operations

IMPACTS MEASURES	CONSTRUCTION	PORT OF SAN FRANCISCO	FILM/TV	BAY AREA TOTAL
JOBS				
Direct	143	231	351	725
Induced	101	181	248	530
Indirect	859	241	793	1,893
TOTAL	1,103	653	1,392	3,148
INCOME ($1,000)				
Direct	$5,837	$12,920	$14,461	$33,218
Induced	$5,820	$12,884	$14,420	$33,124
Indirect	$25,810	$7,378	$23,091	$56,279
TOTAL	$37,467	$33,182	$51,972	$122,621
REVENUE ($1,000)	$49,750	$42,741	$55,487	$147,978
LOCAL PURCHASES ($1,000)	$52,341	$40,412	$48,428	$141,181
TAXES ($1,000)				
State	$3,300	$2,925	$4,581	$10,806
Local	$934	$825	$1,292	$3,048
TOTAL	$4,234	$3,750	$5,873	$13,854

1. CONSTRUCTION IMPACTS

Private investment by developers of Port property, such as the new Giant's Ballpark and the investment in Pier 1 create annual economic benefits throughout the Bay Area. In fiscal year 1999, a total of $49.8 million of private development investment on Port property was reported. Using the construction job multiplier for the Bay Area region, as developed for Martin Associates by the U.S. Bureau of Census, Bureau of Economic Analysis, Regional Input-Output Modeling System (RIMS II), it was estimated that these construction dollars added 143 direct jobs to the Bay Area, with a payroll of $5.8 million. The respending of this direct personal income resulted in 101 additional induced jobs, and a total income impact in the Bay Area of $11.7 million.

The $52.3 million of local purchases by the developers and construction companies further created 859 indirect jobs, for a total Bay Area job impact of 1,103 jobs. The indirect job holders received $25.8 million in wages and salaries, bringing the total Bay Area income impact to $37.5 million. As a result of the economic impact generated by this construction activity, a total of $4.2 million of state and local taxes were collected, of which $3.3 million were collected at the state level while the balance, $0.9 million, was received by local jurisdictions. Since a model is used to translate the construction expenditures into jobs, it is not possible to identify where those holding the construction jobs reside.

No residency distribution was available for construction activity, since the impacts are based on the level of direct construction investments multiplied by jobs and income coefficients and not on survey data as is the case for other sector and industry-specific impacts. Therefore, it is not possible to allocate a portion of the Bay Area construction impacts to the City of San Francisco.

2. PORT OF SAN FRANCISCO ADMINISTRATION IMPACTS

On June 30, 1999, the Port of San Francisco directly employed 231 staff with a payroll of $12.9 million. The Port of San Francisco oversees marine cargo, cruise operations, fishing operations, real estate and ship repair operations by its tenants and posted $42.7 million in revenues in fiscal year 1999.[14] As the result of the purchases of locally produced goods and services by the 231 employees of the Port of San Francisco, another $12.9 million of local purchases and personal income were created, in turn supporting 181 Bay Area residents. In addition, the Port also made more than $40 million of local purchases for supplies, services, maintenance and repair, and construction activity. These local purchases supported 241 Bay Area indirect jobs.

The staff of the Port of San Francisco reside throughout the Bay Area, as shown in Exhibit 25. More than 40% of the Port staff reside in San Francisco, followed by San Mateo, Contra Costa and Alameda counties.

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[14]The operating revenue includes revenue from commercial and industrial activity, parking, marine cargo operations, ship repair, fishing, harbor services, cruise operations and miscellaneous maritime and other activity.

Exhibit 25
Distribution of Direct Jobs
by Place of Residence

COUNTY OF RESIDENCE	DISTRIBUTION	DIRECT JOBS
San Francisco	41.99%	97
Alameda	11.26%	26
Contra Costa	16.45%	38
Marin	4.76%	11
Napa	0.87%	2
San Mateo	17.32%	40
Santa Clara	0.43%	1
Solano	2.60%	6
Sonoma	3.46%	8
Other	0.87%	2
TOTAL	100.00%	231

3. FILM/TELEVISION IMPACTS

The Port of San Francisco property and terminals are the home to a major network television show based at Piers 30/32, as well as providing the setting for numerous television commercials and films. In addition, in 1999, the Port property was the home to the ESPN production -- the " X-Games". The key television production companies and film companies were interviewed to determine the typical types of expenditures per day of filming. The expenditures for major local purchases, such as local actors/actresses, crew, set design, catering, film cutting and hotel rooms were gathered from the film and television companies. These local purchases were combined with the relevant jobs to sales ratios for the Bay Area supplying industries (as collected from the U.S. Bureau of the Census Retail, Wholesale, Services, and Finance/Insurance/Transportation Services reports for the Bay Area) to estimate the direct impacts. Induced impacts were estimated using the Bay Area induced impact model developed by Martin Associates for this study. Next, the indirect relevant jobs and income coefficients were then multiplied by the corresponding local purchases.

Based on the expenditures reported by the film and television companies, as well as direct hires of local extras, it was estimated that 351 direct jobs in the Bay Area were created as the result of local purchases by film and television production on Port property. These direct jobs include local extras, set design, caterers, hotel employees, etc. The direct job holders received $14.5 million of direct personal income. As the result of the respending of this income for local purchases, 248 induced jobs were supported. The film and television production also resulted in $48.4 million of local purchases for goods and services in the Bay Area, which supported 793 indirect jobs. These local indirect jobs received $23.1 million of indirect wages and salaries. Finally, $5.9 million of state and local taxes were created by film and television activity on Port property.

No residency data was estimated for the direct jobs supported by the film and television activity, since models were used to convert the local expenditures into the direct, induced and indirect impacts.

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SAN FRANCISCO PORT COMMISSION

FEBRUARY 22, 2000
MINUTES OF THE REGULAR MEETING

MEMBERS, PORT COMMISSION

HON. KIMBERLY BRANDON, PRESIDENT
HON. BRIAN McWILLIAMS, VICE PRESIDENT
HON. DENISE McCARTHY
HON. MICHAEL HARDEMAN
HON. PIUS LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE REGULAR MEETING
4:00 P.M., TUESDAY, FEBRUARY 22, 2000

1. ROLL CALL

Commission President Kimberly Brandon called the meeting to order at 4:35 p.m. The following Commissioners were present: Kimberly Brandon, Michael Hardeman, Brian McWilliams and Pius Lee. Commissioner Denise McCarthy was not present.

2. APPROVAL OF MINUTES - February 8, 2000 Special & Regular Meeting

ACTION: Commissioner Lee moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor. The minutes of the February 8, 2000 Special and Regular Meetings were adopted.

3. EXECUTIVE

A. Executive Director's Report: Mr. Wong reported the following:

(1) Port of San Francisco selects contractor for $9.1 million Downtown Ferry Terminal Project. The Downtown Ferry Terminal construction activities started this morning. Demolition and staging activities are visible on the plaza. Pedestrian ambassadors are located in the plaza area to hand out notification regarding the project to ferry commuters and the public. A notice was also sent to all Port tenants providing them with a telephone number regarding the project. The demolition of the lagoon bridge and the north promenade area at Pier ½ will take place in the coming weeks. At the next Commission meeting, engineering staff will seek authorization to add the $3.5 million breakwater to the project. Staff will provide the Commission a progress report of the project.

4. FINANCE & ADMINISTRATION

A. Informational Presentation on the Economic Impact Report of the Port of San Francisco.

Stephanie Downs, Financial Manager, indicated that on March 23, 1999, the Port Commission authorized staff to award the contract to Martin Associates. Martin Associates was established in 1985 and specializes as transportation economic consultants. They have extensive experience with a wide variety of port clients including the Ports of Oakland, Seattle, Portland, Vancouver, Baltimore, Houston, Richmond (VA) and Port Everglades (FL). Their Bay Area experience includes the San Francisco Airport, San Jose Airport and the Oakland Airport and Port.

Mr. John Martin presented to the Commission the Economic Impact Report of the Port of San Francisco. Mr. Martin indicated that the purpose of the Economic Impact

Report is to describe the Port's role in the regional Bay Area and San Francisco economies and to develop a model that the Port can use to test the sensitivity impacts of future development. Martin Associates developed baseline impacts by Port lines of business, which include the following sectors:

- Offices
- Retail/Tourism
- Ferries/Marinas
- Cruise
- Port Administration
- Film & Television Permits
- Industrial
- Marine Cargo
- Ship Repair
- Fishing
- Construction

The impacts of each category were measured in terms of jobs (direct, induced and indirect), personal income, business revenue and state & local taxes.

Summary of Findings:

- Nearly 30,000 direct, induced and indirect jobs were generated by activity at the Port.
- A total of $1.1 billion of personal income and consumption expenditures were created in the Bay Area by activity at the Port.
- Residents of the City & County of San Francisco received $371.8 million of personal income from Port activity.
- A total of $1.7 billion in revenue was generated by Port activity.
- More than $727.3 million of local purchases were made by Port tenants and businesses directly dependent on Port cargo cruise ship repair and fishing operations.
- State & local governments received $120.1 million of tax revenue from Port activity.

5. CONSENT CALENDAR

6. MARITIME

A. Approval of a 30-year lease and a 30-year operating agreement with Big C Traders, Inc. at Pier 19 and Piers 19-23 Bulkhead Building. (The Embarcadero at Filbert Street). (Resolution No. 00-11)

Mr. Peter Dailey, Director of Maritime, presented the Commission a brief summary of the Big C Traders' proposal and plan for the Pier 19 and Piers 19-23 Bulkhead Building.

Mr. Nic Dempsey, Senior Leasing Manager, presented the business terms of the lease and the operating agreement with Big C Traders and requested the Commission's approval of the 30-year lease and 30-year operating agreement.

In response to Commissioner Brandon's inquiry whether this would be the first "virtual" foreign trade zone in the country; Mr. Dailey replied to the affirmative.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; Resolution No. 00-11 was adopted.

7. REAL ESTATE

8. FACILITIES & OPERATIONS

A. Authorization to advertise for competitive bids for Construction Contract No. 2658, "Piers 1-½ to 5 Marginal Wharf Repair, Phase I." (Resolution No. 00-14)

Mr. Ed Byrne, Senior Civil Engineer, requested the Commission's approval to advertise for competitive bids for the Pier 1-½ to 5 Marginal Wharf Repair, Phase 1. Port staff is currently negotiating an MOU agreement with the Department of Public Works, whereby the Port expects to receive $1 million from the Mid-Embarcadero Roadway Project to assist in the funding of the Phase I marginal wharf repair work, promenade work, and related shoring work. The Port will fund any additional repair costs above $1 million.

ACTION: Commissioner Lee moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 00-14 was adopted.

9. PLANNING & DEVELOPMENT

A. Approve Resolution to Support State Legislation to Affirm BCDC Action on Special Area Plan for the San Francisco Waterfront. (Resolution No. 00-15)

Mr. Paul Osmundson, Director of Planning & Development, indicated that on February 8, 2000, staff reported to the Commission legal issues that have been raised as to whether BCDC has the authority to approve plan amendments which allow existing piers to be developed with non-water-oriented uses, as proposed in the Port/BCDC/Save the Bay Draft Framework Agreement. Staff reported that the Port's counsel met with the Attorney General's office and BCDC's in-house counsel and concluded that State legislation that simply affirms and endorses BCDC's approval of any Bay Plan amendments would effectively reduce any legal vulnerability of BCDC's action.

Following the February 8th Commission meeting, the Attorney General's office drafted legislation, which was included in a BCDC staff report, recommending that the BCDC support its passage by the State Legislature.

At its February 17, 2000 meeting, after lengthy discussion, the BCDC passed a motion opposing its staff recommendation to introduce legislation. Many Commissioners expressed the belief that the BCDC Plan amendment process should be completed before any legislation be considered.

Mr. Osmundson requested the Commission to approve the resolution directing staff to continue to work diligently with BCDC and Save the Bay to develop BCDC Plan amendments through the joint BCDC/Port Committee process; and to prepare a

written explanation to BCDC why the Port believes it is necessary and desirable for the State Legislature to affirm BCDC and the Port's actions regarding plan amendments for the San Francisco waterfront.

Joe La Clair, Senior Planner BCDC, indicated that he was available to answer any questions the Commission may have.

Marc Holmes, Save the Bay, indicated that he was pleasantly surprised about the resolution Port staff is recommending to the Commission and endorsed the adoption of the resolution. Save the Bay is committed to making the planning process work and looks forward to working with BCDC and the Port.

Jennifer Clary, San Francisco Tomorrow, recommended that the phrase "in conjunction with BCDC and Save the Bay" be included in the second to the last "resolved" of the resolution.

Commissioner Brandon commented that the Commission was not comfortable with the original resolution but concurred with the revisions subsequently made by staff. She emphasized that the Commission is also committed with the joint process to finalize the Special Area Plan.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; Resolution No. 00-15 was adopted.

B. Approve Resolution authorizing staff to prepare materials to nominate a Northern Waterfront Maritime Historic District, between Pier 45 and China Basin, to the National Register of Historic Places. (Resolution No. 00-16)

Mr. Paul Osmundson, Director of Planning & Development, enumerated the numerous benefits associated with a National Register listing:

1. The Port's private sector partners will have the opportunity to qualify for historic preservation tax credits equal to 20% of the approved rehabilitation costs for projects consistent with the Secretary of the Interior's Standards for Rehabilitation.

2. BCDC Regulations Section 10704 (Fill Necessary to the Welfare of the Public to Protect Historic Structures) enables BCDC to permit seismic retrofit and substantial rehabilitation for such National Register projects without invoking the water-oriented use and replacement fill policies of its Bay jurisdiction.

3. The State Lands Commission recognizes that such projects attract the general public and thereby foster public trust objectives. Preservation of National Register properties enables the public to appreciate the historic character of these maritime resources while preserving the resources for possible future maritime services. The Port must continue to emphasize public trust uses within such projects, but may also benefit from the potential for a somewhat broader range of uses due to the public recognition associated with historic districts and their

ability to fulfill public trust objectives through their attractiveness to the general public.

4. Other cities have found the "Heritage Tourism" associated with National Register Historic Districts to be very attractive economically. The San Francisco waterfront contains the preeminent collection of City Beautiful-inspired waterfront structures in the country.

Mr. Alec Bash, Planning & Development, provided the Commission a background of the project and requested the Commission to authorize staff to prepare necessary materials to nominate a Northern Waterfront Maritime Historic District, between Pier 45 and China Basin, to the National Register of Historic Places, with boundaries generally consistent with the listing set forth in the staff report to the Commission. Following the preparation of the required nomination materials, staff will return to the Commission to seek authorization to submit the materials for the proposed Historic District.

Commissioner Lee inquired if it would be more difficult to develop and if the process would take longer if the areas were designated a historic district. Mr. Osmundson replied that it would not be difficult to develop the area. The creation of the historic district would make development straightforward. Although, there might be an additional review process, the benefit of 20% preservation tax credit would attract and provide incentive to developers.

Commissioner McWilliams inquired about the exclusion of the shipyard or the copra crane and wondered if they could be included in the recommendation for a historic district. Mr. Bash replied that staff focused on the northern part of the waterfront, from Pier 45 to China Basin. Because of the significant historic characteristics of the shipyard and copra crane, those areas would have to be recommended as a separate historic district.

Commissioner Brandon suggested that it would be appropriate for staff to look into the areas that Commissioner McWilliams pointed out even though it's considered a separate district since staff is already in the process of preparing materials to nominate to the National Register of Historic Places. Mr. Bash replied that staff will look into Commissioner McWilliams' request.

Commissioner Lee inquired about the preservation of the Red's Java House. Mr. Bash replied that staff is in communication with the cruise ship terminal developer about Red's Java House. The Waterfront Plan's listing, while very important in establishing the Port's approach towards preservation of its historic resources, does not provide the same level of recognition and associated protection as does listing these resources in a City, State or National listing of historic resources.

Nan Roth, Telegraph Hill Dwellers, thanked Alec Bash for his efforts on this project. Ms. Roth brought to the Commission's attention the need for a historic tourism component at Fisherman's Wharf as well. She hoped that going forth with the northern waterfront will not leave Fisherman's Wharf unattended. If it is economically viable to seek a National Register listing from Pier 45 to China Basin,

she hoped that the Port can find some sort of historic preservation for fish alley at Fisherman's Wharf as well as the remaining buildings at Jefferson Street that would qualify not necessarily as a district but to be preserved so that future development be carried out in a manner compatible with them.

Jennifer Clary, San Francisco Tomorrow, supported staff's recommendation for the designation of the northern waterfront as a historic district; however, she hoped that similar agreement can be reached on open space and public access.

Charles Chase, Executive Director of the San Francisco Architectural Heritage, recommended and congratulated Port staff for reaching this conclusion. Historic resources have been perceived as being isolated instances but San Francisco's waterfront, the Embarcadero and the piers, is probably one of the most valuable resources because they are part of a collection of activities that have taken place over the years. Concern for designating historic landmark status or historic district status deals with private property use but there is always a fear of use restriction. In terms of benefit for future development, the National Register Program provides for a safety net that provides the recognition of the resource, i.e. the 20% tax credit. It also brings with it a set of standards that all the resources can enjoy. The programmatic agreements for all these resources can come about as a result of a historic district, which means it's less time in the individual processing of development projects. He encouraged the Commission to approve the resolution. Through the good grace of Port staff, they were able to pull together the experts that have worked on these piers, both individually and collectively over the years, and looked at documentation from Port Commission reports as well as individual histories on these properties. The Commission is presented with a serious compilation of information. Mr. Chase felt comfortable that protection of these resources would be valuable not only to the Port but to the City as a whole.

Stewart Morton, Russian Hill Improvement Association, indicated that preservation is a very good business for the Port and great for San Francisco. Developers will come to the Port because it is a historic district and are familiar with the rules and regulations. He thanked Alec Bach and other Port staff for their good work.

ACTION: Commissioner Hardeman moved approval; Commissioner McWilliams seconded the motion. All of the Commissioners were in favor; Resolution No. 00-16 was adopted.

C. Informational Briefing on Southern Waterfront Activities. (Staff report provided to Commission.)

Mr. Paul Osmundson, Director of Planning & Development, indicated that this an informational briefing only. Mr. Braj Norris will provide the Commission a status report on some of the activities in the southern waterfront related to leasing and planning issues.

Braj Norris, Planning & Development, described the recent community meetings and the issues raised. He indicated that the Southern Waterfront Advisory Committee, discussed the exclusive right to negotiate agreements. As a result, the SWAC drafted

and is recommending an MOU in place of the exclusive rights which states that... "The Port will not negotiate with any other businesses or prospective tenants other than the SEIR applicants for their designated site locations for a period extending six months after the SEIR certification. There will be ongoing and continuous dialogue amongst the Port, SWAC, Community and the industry businesses regarding their projects to ensure that all parties' concerns are addressed. In addition, this will not preclude the applicants from seeking permits and regulatory approvals that would be required after the SEIR certification. In the event a lease(s) is prepared subsequent to SEIR certification, a draft of the lease(s) will be presented to the SWAC prior to Commission approval."

In addition, the Committee reviewed the backlands planning program and hoped to move forward at their March 13th meeting. They also plan to proceed with the SEIR, a draft of which will be released in June for public comments and will be certified in late summer, early fall. In the interim, the SWAC will be focusing on their planning efforts on the Pier 94/98 backlands area, which is approximately 58 acres of unprogrammed land plan of the southern waterfront area.

10. NEW BUSINESS / PUBLIC COMMENT

11. RECONVENE IN EXECUTIVE SESSION

ACTION: Commissioner McWilliams moved approval to reconvene in executive session. Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

The regular meeting was adjourned at 5:55 p.m.

13. RECONVENE IN OPEN SESSION

ACTION: Commissioner McWilliams moved approval to not disclose any information discussed in executive session; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

14. ADJOURNMENT

The meeting was adjourned at 6:50 p.m.

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Public Hearing

PLEASE NOTE CHANGE OF MEETING LOCATION

JOINT PUBLIC HEARING BETWEEN THE

San Francisco Port Commission
and
San Francisco Redevelopment Agency

Tuesday, February 29, 2000 @ 4 p.m.
City Hall, Room 250 - Board of Supervisors Chambers
One Dr. Carlton Goodlett Place
San Francisco, CA 94102

AGENDA

1. ROLL CALL

2. PLANNING & DEVELOPMENT

   A. Approval of the basic concept and schematic drawings for Rincon Park. (Resolution No. 00-17) (Staff report provided to the Commission.)

   (Approval of the basic concept and schematic drawings for Rincon Park is within the scope of the development program permitted under the Redevelopment Plan and the Waterfront Land Use Plan. The Rincon Point – South Beach Redevelopment Plan Final Environmental Impact Report and Final Supplemental Environmental Impact Report and the Waterfront Land Use Plan Final Environmental Impact Report adequately describes this activity for the purposes of the California Environmental Quality Act.)

   B Informational presentation on the Mission Creek Park Open Space Concept Design. (Staff report provided to the Commission.)

3. NEW BUSINESS / PUBLIC COMMENT

   Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. It is strongly recommended that public comments be submitted in writing so they can be distributed to all Commissioners for review. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

4. ADJOURNMENT

Staff Reports: Explanatory Documents available to the public can be reviewed and copied at the Ferry Building, Suite 3100 or by contacting the Port Receptionist at 415-274-0400.

FEBRUARY/MARCH 2000

CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
Feb. 28	5:00 p.m.	Rincon Pt./South Beach CAC Meeting	So. Beach Yacht Club Pier 40
Feb. 29	4:00 p.m.	Redevelopment Agency/ Port Joint Hearing	City Hall Room 250
Feb. 29	4:00 p.m.	Northeast Waterfront Advisory Group	Port Commission Room Ferry Building
March 1	4:00 p.m.	BCDC/Port Commission Committee Meeting	Port Commission Room Ferry Building
March 2	3:00 p.m.	Maritime Advisory Committee	Port Commission Room Ferry Building
March 7	9:00 a.m.	Fisherman's Wharf Waterfront Advisory Group	Scoma's Restaurant Pier 47
March 14	4:00 p.m.	Port Commission	Port Commission Room Ferry Building
March 21	11:00 a.m.	Waterfront Design Advisory Committee	Port Commission Room Ferry Building
March 28	4:00 p.m.	Port Commission	Port Commission Room Ferry Building

NOTES:

The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m. Contact Amy Quesada at 274-0406 to be placed on the mailing list for Commission meeting agenda.

The Fisherman's Wharf Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47, Fisherman's Wharf.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Port Commission Room, Ferry Building.

The Ferry Building Waterfront Advisory Group does not have any scheduled meetings.

The Southern Waterfront Advisory Group meets regularly on the 2nd Monday of the month at 5:30 p.m. in the Port Commission Room, Ferry Building.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Tiffany Bohee at 749-2481 for more information.

Port Website

Check out the Port's Website at **www.sfport.com**

Questions/Contacts

Pier 45 Advisory Group	Kirk Bennett	274-0545
Northeast Waterfront Advisory Group	Kirk Bennett	274-0545
Ferry Building Waterfront Advisory Group	Alec Bash	274-0539
Bryant Street Pier Advisory Group	Anne Cook	274-0483
Southeast Waterfront Advisory Committee	Braj Norris	274-0540
Port of San Francisco Reception	Liz Fitzgerald	274-0400

ACCESSIBLE MEETING INFORMATION

The meeting/hearing will be held in the Board of Supervisors Chambers, City Hall, Room 250, One Dr. Carlton Goodlett Place, San Francisco. The room is wheelchair accessible and has accessible seating for persons with disabilities and those using wheelchairs.

The closest accessible BART station is Civic Center, three blocks from City Hall. Accessible MUNI lines serving this location are: #42 Downtown Loop, #71 Haight/Noriega, the F Line to Market and Van Ness and any line serving the Metro Stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 415-923-6142.

There is accessible parking across from City Hall at the Civic Center Garage.

The following services are available by calling Erwin R. Tanjuaquio at 415-749-2457 at least 72 hours prior to the meeting/hearing: American Sign Language interpreters, use of a reader during a meeting, or a sound enhancement system. Following a meeting, minutes can be made available by tape or alternative formats.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, please contact Rachel Arnstine O'Hara, Clerk of the Sunshine Ordinance Task Force at 554-6171; fax 554-6177, City Hall, Room 362, One Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683. Her e-mail address is Rachel_ArnstineO'Hara@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Ordinance Task Force, the San Francisco Public Library and on the City's Website at www.ci.sf.ca.us.

San Francisco Lobbyist Ordinance

Attention: Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Admin. Code 16.520 – 16.534) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, #701, San Francisco, CA 94102, phone (415) 554-9510 or fax (415) 703-0121 and web site http://www.ci.sf.ca.us/ethics/.

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

February 23, 2000

TO: Rincon Park Design Review Body

Port Commission	Agency Commission
Hon. Kimberly Brandon, President	Hon. Mark Dunlop, President
Hon. Brian McWilliams, Vice President	Hon. Leroy King
Hon. Denise McCarthy	Hon. Ramon Romero
Hon. Michael Hardeman	Hon. Darshan Singh
Hon. Pius Lee	Hon. Lynette Sweet
	Hon. Benny Y. Yee

FROM: Douglas F. Wong
Executive Director, Port

James B. Morales
Executive Director
Redevelopment Agency

SUBJECT: Approving the Basic Concept and Schematic Drawings for Rincon Park; Rincon Point-South Beach Project Area.

EXECUTIVE SUMMARY

Under agreements among the Redevelopment Agency ("Agency"), the San Francisco Port Commission ("Port"), and The Gap, Inc. ("The Gap"), The Gap is undertaking the design and development of Rincon Park, a two-acre public park to be located on the waterfront at Folsom Street and The Embarcadero. The proposed combined February 21, 2000 Basic Concept and Schematic Drawings ("Schematic Design") includes open lawns, landscaped areas, and architectural seating walls, with an emphasis on views of the water from within and outside the Park. The Gap also proposes to arrange for private donation of a major public sculpture for installation in Rincon Park. The Port and Agency share jurisdiction over the development of Rincon Park, and are required to meet as a joint Design Review Body to consider design submissions. The approval of both Commissions is required.

Agency and Port Staff recommend approval of the Schematic Design of Rincon Park by the Agency and Port Commissions.

This Print Covers Calendar Item No. 2A

DISCUSSION

Background

The Rincon Point-South Beach Redevelopment Plan and Design for Development, and the Port's Waterfront Land Use Plan ("Waterfront Plan), call for the development of Rincon Park as a major public park on a waterfront parcel within the jurisdiction of the Port of San Francisco. This property (the "Park Site"), consists of approximately two acres of land along The Embarcadero at the foot of Folsom Street, stretching from Howard to Harrison Streets, with commanding views of the Bay, Treasure and Yerba Buena Islands, and the Bay Bridge.

In January 1995, the Agency entered into a Disposition and Development Agreement (as amended, the "DDA") with The Gap for the development of a headquarters office building at Folsom Street and The Embarcadero. Under the DDA, The Gap is required to develop (or to contribute funds for the development of), Rincon Park, which is directly across The Embarcadero from its office site. As of June 13, 1995, the Agency and Port entered into an "Agreement to Lease" under which the Agency has an option to lease the Park Site from the Port, develop it as a park, and operate it and maintain it for a period of 65 years. The Gap will contribute $100,000 annually for ten years toward security costs.

The Gap intends to develop Rincon Park directly (rather than to contribute funds toward its development by the Agency), and has submitted its proposed design to the Port and the Agency for review. Under the Agreement to Lease, the Port and Agency Commissions share jurisdiction over the design of Rincon Park, and are required to meet as a joint "Design Review Body" to consider design approvals. Both Commissions must approve the design of the Park.

Relationship of Park Project to Proposed Restaurant Development

The following provides a discussion on the related but distinct proposed restaurant project within Rincon Park.

1995 Redevelopment Plan Variance

The Rincon Point-South Beach Redevelopment Plan and Design for Development contemplate the development of waterfront restaurant uses within Rincon Park. It was originally conceived that the restaurant area ("Restaurant Site") of up to 12,000 square feet would be located within the Park in the area north of Folsom Street. However, on January 10, 1995, in conjunction with its consideration of The Gap project, the Agency adopted Resolution 7-95, which granted a number of variances for The Gap's headquarters building and for the Rincon Park and restaurant development. The variances for the Park moved the Restaurant Site from north of Folsom Street to south of Folsom Street, and allowed 8,000 sq. ft. of outdoor dining and plaza area to be added to the 12,000 square feet of building footprint area (see attached *Park & Restaurant Site Area Plan*).

The original location of the Restaurant Site north of Folsom Street was proposed before more specific plans for development in the vicinity, such as the realigned Embarcadero Roadway and other private and public projects in the area, were available. The relocation of the

Restaurant Site to the southern part of Rincon Park was based, according to the variance resolution and the supporting record, on changes in the configuration in the Park Site brought about by the rerouting of The Embarcadero roadway following demolition of the Embarcadero freeway, and changes in the original pattern of private and public ownership and land uses in and around the Park Site. The northern end of the Park Site has become narrower and smaller, making the shift of the restaurant to the south desirable because it provides a more generous location for siting the Park and allows ample space for integration of the Park and Restaurant Site.

Regarding the addition of the plaza open space area to the Restaurant Site, the 1995 Agency Resolution includes the analysis that "the additional 8,000 square feet of restaurant outdoor area would enhance the ability of the restaurant operator to develop a viable outdoor terrace dining area, which would provide on-going activity and enhance the security of the Park. At the same time, it would permit the restaurant plazas to spill out and transition to the open space which could also provide a variety of viewing experiences and reduce the possibility of a sense of privatization of the restaurant plaza areas [adjacent to] the park."

The Port's Waterfront Plan, which was adopted in June 1997, reflects the location of the Restaurant Site south of Folsom Street.

Restaurant Development

The Restaurant Site will be developed under a lease directly between the Port and its selected operator. The Agreement to Lease between the Agency and the Port establishes certain design and operating limitations for the restaurant development, but the Restaurant Site is not included in the Park Site being leased by the Agency, and the Agency is not involved in the selection, design, or operation of the restaurant. The Port has sole jurisdiction over these matters.

In 1998, the Port issued a Request for Proposals for the Restaurant Site and in 1999 entered into exclusive negotiations with a restaurant operator and developer, Reed Hearon of Nice Ventures, Inc. Mr. Hearon, formerly of LuLu's Restaurant, also owns and operates Rose Pistola and The Black Cat in North Beach. Mr. Hearon envisions separating the allocated building area into two individual restaurants joined by a central courtyard or "piazza" that interfaces with the park and waterfront promenade. In keeping with the Waterfront Plan, the restaurants and associated outdoor area are expected to generate activity in the area during the evenings and weekends to help enliven Rincon Park.

The Port negotiations with Nice Ventures regarding the Restaurant Site, and the Rincon Park design consideration before the Port and Agency Commissions at this time does not include consideration of the lease for or design of the restaurants. Port and Agency staff have worked closely with the restaurant design team to ensure that those issues directly relating to the Park design—such as the exact location of the Restaurant Site within the south of Folsom Street area—have been appropriately addressed. As part of this process, preliminary drawings of the Restaurant Site buildings have been presented to the public, including the Rincon Point-South Beach Citizens Advisory Committee ("CAC"). The drawings have elicited a number of public comments, regarding the proposed height, massing and layout of restaurant

buildings; building elevations along The Embarcadero; impact on private views; ingress/egress; design and use of the outdoor "piazza" area; rooftop design; and signage. Comments have also been made about operational issues such as trash pick up, delivery handling and smoke emissions. These issues, which are not related to the Rincon Park design consideration, will continue to be addressed in the Port's Restaurant Site negotiations, with their resolution subject to approval by the Port Commission at a future meeting. The Port will continue to seek comments from the CAC and Agency staff.

Rincon Park Design

The Gap DDA and the Port/Agency Agreement to Lease provide for review of the design for Rincon Park by the joint Port and Agency Commissions at four stages: basic concept drawings, schematic drawings, preliminary construction documents, and final construction documents. To create a more streamlined process, and to allow the Commissions to focus their review at the point where meaningful design decisions are made, Agency and Port staff have worked with The Gap and its designers to combine the first two design stages into the single Schematic Design submission presented for consideration at this time.

The Gap's design team for Rincon Park consists of the internationally known landscape architecture firm, the Olin Partnership, working with the Office of Cheryl Barton, a leading San Francisco designer.

The two-acre Park Site is shaped as an elongated and pointed oval, narrower at its ends near Howard Street on the north, and the fireboat house at Harrison Street on the south. The widest portion of the Park Site is at Folsom Street. The Park Site is bound on the west by The Embarcadero sidewalk and roadway, and on the east by the Bay and the already-built Herb Caen Way pedestrian promenade.

The proposed design for Rincon Park, as shown on the attached *Illustrative Site Plan*, features the following major elements:

Overall Design Plan: The goals of the proposed plan for the Park Site are to create a protected pedestrian park oriented toward the Bay, and to create and preserve water views from inside and outside the Park. The Park is generally divided into two rounded lawns, which are raised and "tilted" toward the water, separated by the main Park entryway, which aligns with the view corridor of Folsom Street (see attached *Folsom Street Entrance Perspective*). The lawn areas gently slope toward the Bay to provide sitting, picnicking, and playing areas from which to look over the activity of the Park, Herb Caen Way and the water, with protection from the noise and traffic of the adjacent Embarcadero (see attached *Promenade Looking South Perspective*). These knolls reach a maximum height of seven feet above the Embarcadero sidewalk, but slope down quickly to preserve views from outside the Park. The Restaurant Site is situated near but not at the southern boundary of the Park, so as to maximize the sense of public open space surrounding the Restaurant Site, and to preserve important public views through the historic arches from the pedestrian walkway within the Hills Plaza development across The Embarcadero.

A series of sweeping "seating walls" follow the tops of the grassy knolls, and will also be located, intertwined with planting beds, along the Herb Caen promenade at the waters' edge of the Park. These low walls will provide graceful, "architectural" seating elements for public use, and will be a defining design element of the Park. Along the waterside of the restaurant piazza, these seating walls will become a semicircular series of steps facing the Bay. This stair-step feature provides a place for public gathering that eases the transition between private and public space, and provides an amphitheater-like setting for joining together the users of the restaurant, park and the Herb Caen promenade.

Landscaping Plan: In addition to the broad lawn areas, landscaping will include perennial and native planting beds intertwined with the seating walls along the promenade, and shrubbery along The Embarcadero. Trees will mark the entry and boundaries of Rincon Park but will be used sparingly to avoid impeding views from outside of the Park.

Public Art: As part of the design and development of Rincon Park, The Gap may elect to arrange for the private donation of a major sculpture by the prominent international artists Claes Oldenburg and Coosje van Bruggen. Mr. Oldenburg has been an important figure in modern art since the early 1960's. His work can be found at the San Francisco Museum of Modern Art as well as in many other major museums throughout the world. He and Ms. van Bruggen have been collaborating on large-scale sculptures since 1976, with major installations in U.S. cities such as Philadelphia, Minneapolis, and Chicago. They also have a number of large-scale sculptures in international locations including Germany, Paris, Rotterdam, and Barcelona. Their sculptures are typically of common objects abstracted and enlarged to proportions that relate to their specific site, context, and location.

The proposed sculpture designed for Rincon Park by Mr. Oldenburg and Ms. van Bruggen is entitled "Cupid's Span." It is designed in the form of Cupid's bow and arrow partially buried in the ground. The sculpture will be approximately 60 feet tall and 130-140 feet wide at the tips of the "bow", but is relatively transparent and will not obscure views inside or outside the Park. The sculpture will be located at the crest of the grassy knoll in the northern portion of the Park. The sculptor proposes to construct the sculpture of a fiberglass composite or similar material, with other elements such as steel and aluminum. The Gap will retain responsibility for maintenance and repairs of the sculpture.

Public Restrooms: A restroom is planned as part of the Rincon Park improvement plan. Agency and Port staffs are working with the J.C. Decaux company to locate a coin-operated restroom adjacent to the southerly boundary of the Park. The precise location of the restroom and advertising kiosks necessary to meet the City contract requirements with J.C. Decaux will require further Port Commission approval. Because the restroom, as proposed, will be located just outside of the footprint of the Park Site, it will not be covered by the Port/Agency Agreement to Lease. To ensure that the area surrounding it is appropriately cared for, it is proposed that the Port and Agency enter into an agreement under which the Agency will extend its security and maintenance obligations into this small area.

Further Design Development: Design development will include locations and detailed designs for lighting fixtures, park furnishing including trash receptacles and bicycle racks, and color and material selections for walking surfaces and the seating walls. Special attention will be paid to using designs and materials that discourage vandalism and

inappropriate use by skateboarders, and to creating features that are particularly attractive to children. These detailed designs, along with final choices for landscaping materials, will be developed with the preliminary construction documents for the Park.

Design Review and Recommendation

Agency and Public Review

Port and Agency staffs have worked closely with the Gap and its design team on the plans for Rincon Park for close to a year. This effort has been assisted by staff from the Planning Department and by input from the Port's design advisors and members of the Waterfront Design Advisory Committee. Informational workshop presentations were made to the Port Commission on October 29, 1999, and to the Agency Commission on November 9, 1999.

The Gap and the Port have initiated the design review process for Rincon Park and the Restaurant Site with the San Francisco Bay Conservation and Development Commission ("BCDC"). BCDC staff presented the park and restaurant designs to BCDC's Design Review Board on October 18, 1999 and January 10, 2000 and public comments were offered at those meetings.

The Rincon Point-South Beach CAC has played an active role in the review and refinement of the Rincon Park design. The proposed design for the Park was initially presented to the CAC in April, 1999. Following an updated presentation in September, 1999, the CAC formed a subcommittee to work with the Park design team. The CAC's Rincon Park Subcommittee met in October and November, 1999 and in January, 2000. The subcommittee provided monthly updates and solicited further input at the full CAC meetings during this review period. At its meeting on January 12, 2000, the Rincon Park Subcommittee endorsed the Schematic Design of the Park, and recommended its approval to the CAC. At its meeting on January 24, 2000, the CAC adopted a resolution, by a vote of 16 to 1, approving the proposed Schematic Design of Rincon Park, including the inclusion of the Claes Oldenburg/Coosje van Bruggen sculpture within the Park. A copy of the CAC resolution is attached.

Recommendation

Based on this review, staff recommends the adoption of Port Resolution 00-17 and Agency Resolution 31-2000 approving the Schematic Design for Rincon Park for the following reasons:

- The proposed design will create an exceptional and attractive public waterfront park, and will serve as both a landscaped respite from the City, and as a dramatic urban gathering place at the water's edge.
- The design appropriately balances the need for protection from the noise and congestion from the street with the need to remain visually connected with surrounding users.

- The design has the appropriate balance of seating, lawn areas, and walking areas to accommodate the large number of residents, office workers, and visitors anticipated.
- The Restaurant Site is appropriately situated within the Park Site to provide for the activation of the Park by the restaurant development, to create a dynamic transition between public and private spheres, and to preserve public views from surrounding areas.

The conditions of approval detailed in the Commission resolutions are summarized as follows:

1) Execution of a final agreement between the Port and J.C. Decaux regarding the public restroom and related advertising kiosks, a funding plan regarding the allocation of installation costs, and execution of an Agreement between the Agency and the Port for basic security and landscaping maintenance for the area immediately surrounding the public restroom.
2) Execution of a letter by The Gap, acceptable to the Agency, confirming its responsibility for maintaining the "Cupid's Span" sculpture to be erected in the Park.
3) Submission of detailed planting plans and plant palettes, and of design details for park lighting, seat walls, benches, trash receptacles, bicycle racks, any additional site furnishings, and seat walls as part of the preliminary construction document submission.

Further Design Review

Under the DDA and the Agreement to Lease, all "Construction Documents" for Rincon Park are to be reviewed by the Agency and Port Commissions meeting as the joint Design Review Body. Typically, however, the Port and Agency Commissions review schematic design drawings and delegate the detailed construction document review to their Executive Directors. It is therefore proposed that the Commissions delegate to the Executive Director of each Commission, or their designee, approval of all Preliminary and Final Construction Documents, which must be consistent with the Schematic Design approval granted by the Design Review Body. If Port and Agency Directors cannot agree upon the Preliminary or Final Construction Documents, the Commissions will be reconvened as the Design Review Body to render final decisions.

Next Steps

Design work will continue for Rincon Park over the next several months. Construction is expected to commence in October 2000, and to be completed by May 2001. During this design and construction period, the Agency will issue a Request for Proposals and enter into a contract, subject to Agency Commission approval, to provide security and maintenance services within Rincon Park, as required by the Agreement to Lease.

The Agency is expected to formally exercise its option to lease the Park Site under the Agreement to Lease after final construction documents are approved and all necessary permits are obtained. Prior to that date, The Gap will also formally exercise its option to directly develop Rincon Park.

Port staff expects to complete lease negotiations with Nice Ventures for the Restaurant Site, and to return to the Port Commission for approval of a Development Agreement and Lease by mid-2000. The Port Commission will consider the design of the Restaurants Site in accordance with a schedule to be included in the Development Agreement.

(Originated by Amy J. Neches, Agency Senior Project Manager, and Kari Kilstrom, Port Development Project Coordinator)

Attachments: CAC Resolution, dated January 24, 2000
Park Site Plan
Illustrative Site Plan
Folsom Street Entrance Perspective
Promenade Looking South Perspective

F:\Rincon Park Restaurant\Design\Feb 22 8 pm Staff Report.doc

Adopted January 24, 2000, by a vote of 16 to 1

Rincon Point-South Beach Citizens Advisory Committee

RESOLUTION ENDORSING THE SCHEMATIC DESIGN FOR RINCON PARK

BASIS FOR RESOLUTION

1. The Rincon Point-South Beach Citizens Advisory Committee (CAC) is composed of residents, owners, business operators, organizations and interested parties from in and around the Rincon Point-South Beach Redevelopment Project Area. The CAC provides advice and consultation to the San Francisco Redevelopment Agency and other public entities on Project Area matters.

2. In 1995, the Redevelopment Agency, the Gap, Inc., and the Port of San Francisco entered into agreements under which the Gap is designing and constructing Rincon Park, at Folsom Street and the Embarcadero, on an approximately two-acre site owned by the Port and leased to the Redevelopment Agency. The Redevelopment Agency will operate, maintain, and provide security for Rincon Park, in part with funds to be provided for a period of ten years by the Gap.

3. The proposed design for Rincon Park was reviewed by the CAC on April 14, 1999 and September 22, 1999, and by the CAC Rincon Park Subcommittee on October 14, 1999, November 1, 1999 and January 12, 2000. At its meeting on January 12, 2000, the Rincon Park Subcommittee endorsed the Schematic Design of the Park, and recommended its approval to the CAC.

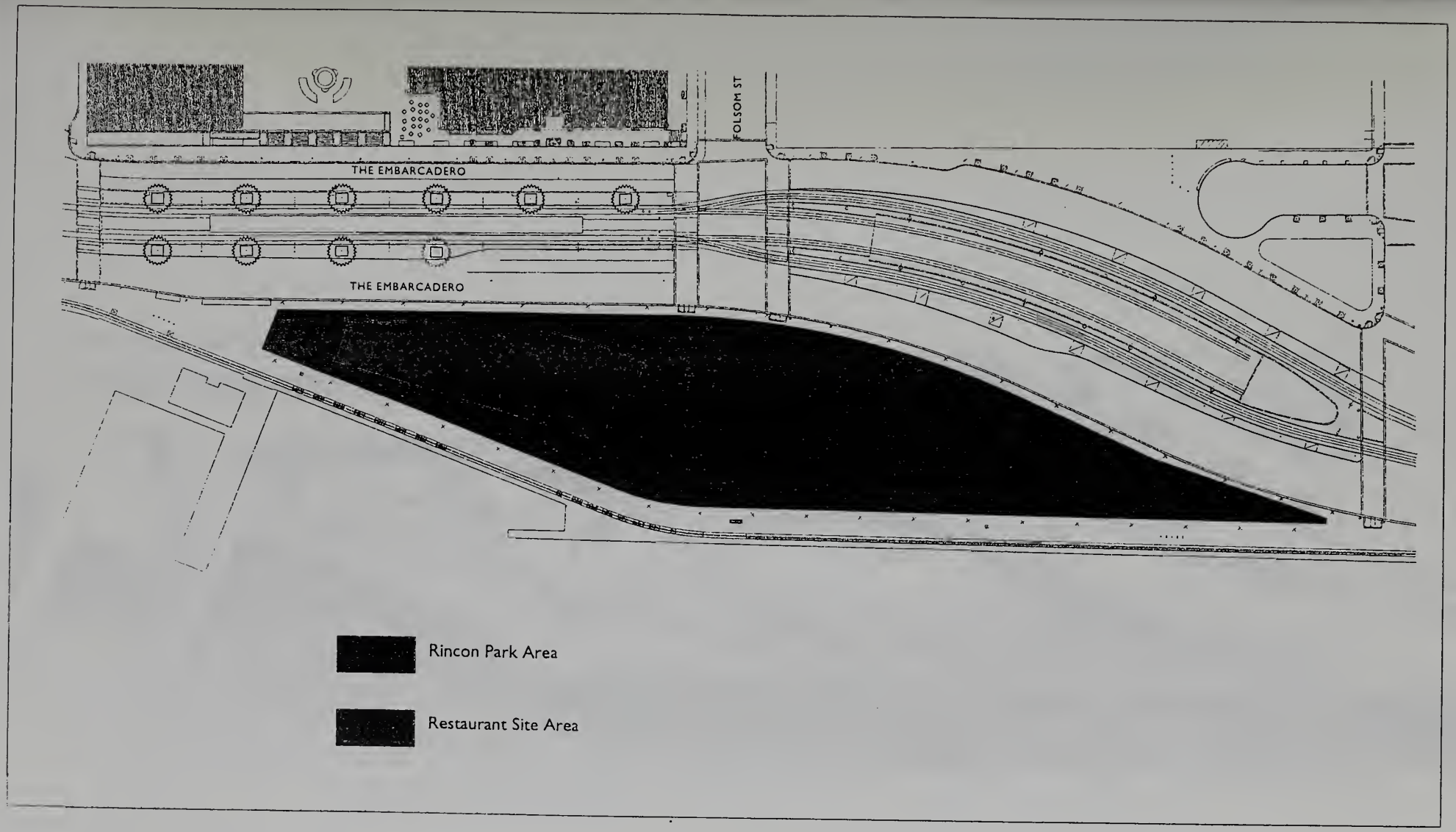
RESOLUTION

1. The CAC endorses the Schematic Design for Rincon Park, including:
   - the general design program, which includes lawn areas, walkway areas integrated with Herb Caen way, seating walls near the Bay and "above" the lawns, and an adjacent public restroom.
   - the overall shape, form, grading, and layout of the Park.
   - the inclusion of the Claes Oldenburg "Cupid's Span" sculpture within the Park.

2. During the subsequent design development phase, the CAC requests that the Park designers endeavor to:
   - include seating with backs in appropriate locations.
   - incorporate skateboard resistant designs and materials where needed.
   - use landscaping and other design features to ensure that all Park areas feel open and welcoming to the public.
   - include features of interest to children through color, pattern, and materials.

3. The CAC requests that the designers continue to consult with the CAC and the Rincon Park Subcommittee regarding materials, colors, planting choices and overall design detail, as well as in regard to the matters listed in (2) above.

4. The CAC acknowledges that the restaurants will be considered separately from, and at a later date than, the current Schematic Design of Rincon Park. The CAC requests that the Port and its selected restaurant operator continue to consult with the CAC regarding restaurant design, massing, and architectural character. Issues to be addressed include integration of the restaurant piazza with the adjacent Park areas, and use of landscaping and soft materials in the areas around the piazza.

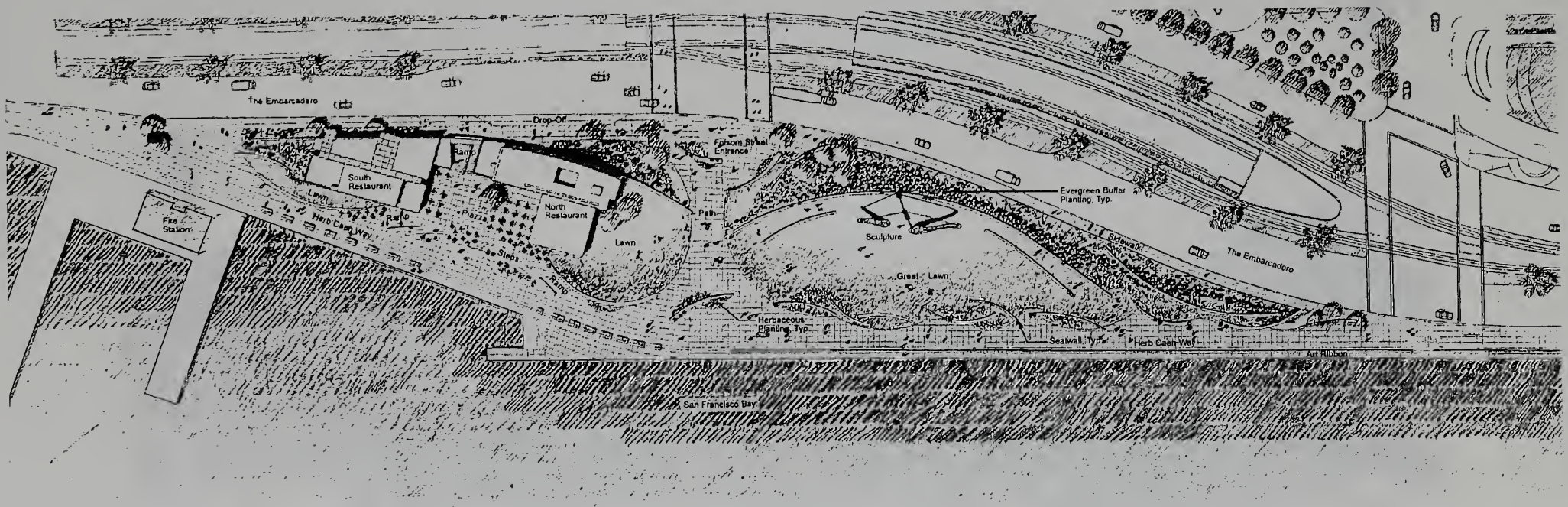


PARK & RESTAURANT SITE AREA PLAN

Scale: 1"=80'-0"

RINCON PARK

February 23, 2000



RINCON PARK

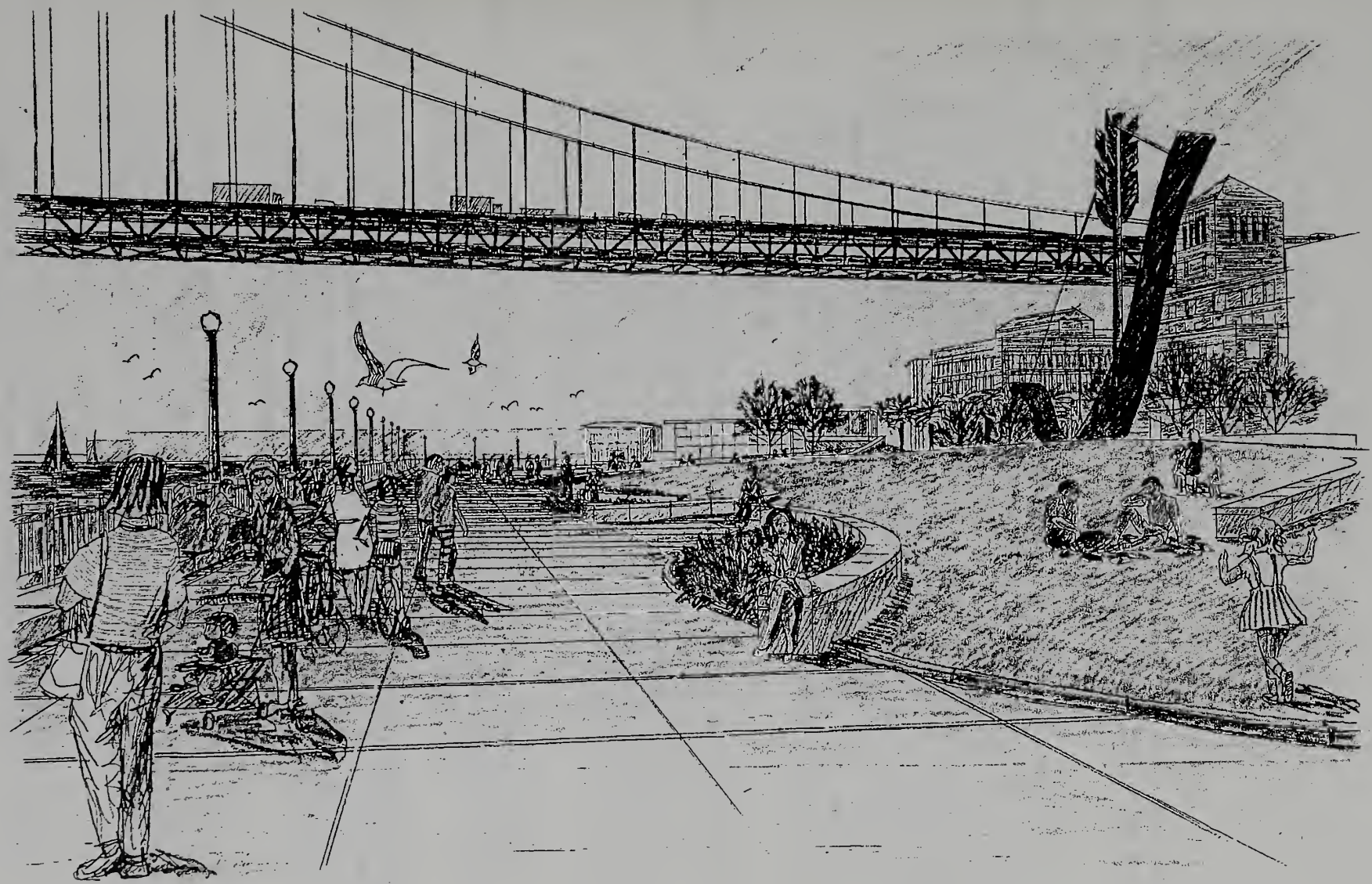
Illustrative Site Plan

Olin Partnership
24 January 2000

Scale 1" = 20'-0"

RINCON PARK
Folsom Street Entrance

Olin Partnership
24 January 2000 Scale NTS



RINCON PARK
Promenade Looking South

Olin Partnership
24 January 2000 Scale NTS

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-17

WHEREAS, Charter Section 3.581 empowers the Port Commission ("Port") with the power and duty to use, conduct, operate, maintain, manage, regulate and control the Port area of San Francisco; and

WHEREAS, Port is the owner of a certain parcel of land located between the Waterfront Promenade to the east and Steuart Street and The Embarcadero to the West, as generally shown in Attachment A attached hereto and designated as the site of a public park (the "Park"). The Park is located within the Rincon Point Subarea of the Rincon Point/South Beach Redevelopment Project Area, as designated in that certain Rincon Point-South Beach Redevelopment Plan, originally adopted and approved by the San Francisco Board of Supervisors on January 5, 1981, as subsequently amended ("Redevelopment Plan"). The site on which the Park is located (the "Park Site") is designated under the current Redevelopment Plan for use as a public park; and

WHEREAS, The Park Site is adjacent to a parcel bounded by Steuart, Spear and Folsom Street and by a Caltrans owned right-of-way on the north (the "Office Site"). The Office Site is the subject of a Disposition and Development Agreement ("DDA") between the Redevelopment Agency of the City and County of San Francisco (the "Agency") and The Gap, Inc. ("Developer"), dated as of January 10, 1995, for the development of an office building; and

WHEREAS, The Park Site is also adjacent to a restaurant parcel of approximately 20,000 square feet upon which the Port desires to construct a restaurant (the "Restaurant Site"), as generally shown on Attachment A attached hereto; and

WHEREAS, Under the terms of the DDA, the Agency was required to use reasonable efforts to enter into an agreement to lease the Park Site from the Port. The Agency and the Port subsequently entered into an Agreement to Lease dated June 13, 1995 for the Park Site ("Agreement to Lease"). The Agreement to Lease was approved by the Board of Supervisors by Ordinance No. 265-95; and

WHEREAS, Under the terms of the DDA, the Agency is obligated to design and construct the Park, subject to available funds and other terms of the DDA. The Gap retains the right to elect to design and construct the Park, and to submit Construction Documents, as defined in the DDA, to the Agency for its review and approval; and

WHEREAS, The Gap has submitted combined Basic Concept Drawings and Schematic Drawings to the Agency. The combined submission is referred to herein as "Schematic Drawings;" and

WHEREAS, Under the terms of the Agreement to Lease, each set of Construction Documents (consisting of, respectively: (1) Basic Concept Drawings; (2) Schematic Drawings; (3) Preliminary Construction Drawings; and (4) Final Construction Drawings, all as defined in the Agreement to Lease) must be submitted to a design review body, consisting of a quorum of the Agency and the Port Commissions, respectively, (the "Design Review Body"), for review and approval; and

WHEREAS, The Construction Documents must be designed consistent with the "Scope of Development" attached to the Agreement to Lease, which Scope of Development provides general design objectives and development standards for the Park; and

WHEREAS, The Gap and its project team, together with staffs of the Port and Agency Commissions, have engaged in a public review process of the Park design over the past year. This process has included participation by the Rincon Point-South Beach Citizens Advisory Committee ("CAC"), the Port's design advisors, members of the Waterfront Design Advisory Committee, the San Francisco Bay Conservation and Development Commission Design Review Board, and other interested parties; and

WHEREAS, The Gap's project team made several presentations to the CAC and CAC design subcommittee, and on January 24, 2000, the full CAC reviewed the current design and voted to endorse it; and

WHEREAS, The Gap and its project team, together with Port staff, made an informational presentation of the Park design to the Port Commission on October 29, 1999; and

WHEREAS, The Rincon Point-South Beach Redevelopment Project Area is the subject of the Rincon Point-South Beach Redevelopment Plan Final Environmental Impact Report and a Final Supplemental Environmental Impact Report certified on August 15, 1991 (the "Redevelopment Plan FEIR"), which analyzes the development of the Park Site as a park use; and

WHEREAS, In connection with the approval of the DDA and the Agreement to Lease, the Agency adopted Resolution No. 6-95 on January 10, 1995 which, among other things, adopted certain findings and determinations in accordance with the California Environmental Quality Act, and such findings and determinations are hereby incorporated as though fully set forth herein; and

WHEREAS, The Park is included as part of the subject matter of Waterfront Land Use Plan Final Environmental Impact Report certified on January 9, 1997 ("WLUP FEIR") which analyzes among other things the development of the Park Site as a park use; and

WHEREAS, In connection with the approval of the Waterfront Land Use Plan, the Port adopted Resolution No. 97-50 on June 24, 1997 which, among other things, adopted certain findings and determinations in accordance with the California Environmental Quality Act, and such findings and determinations are hereby incorporated as though fully set forth herein; and

WHEREAS, Approval of the Basic Concept Drawings and Schematic Drawings is an undertaking in furtherance of the Waterfront Plan and Redevelopment Plan; and

WHEREAS, The Port Commission has reviewed the Basic Concept and Schematic Drawings for the Park in accordance with the Agreement to Lease and Scope of Development; now therefore be it

RESOLVED, That the Port hereby finds that (a) modifications incorporated into the Park and reflected in the approval of the Basic Concept Drawings and Schematic Drawings will not require important revisions to the Redevelopment Plan FEIR and the WLUP FEIR (collectively "FEIRs") due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (b) no substantial changes have occurred with respect to circumstances under which the Park or approval of the Basic Concept Drawings or Schematic Drawings are undertaken which would require major revisions to the FEIRs due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the FEIRs; and (c) no new information of substantial importance to the Park project or the approval of the Basic Concept Drawings or Schematic Drawings has become available which would indicate (i) the Park project or approval of the Basic Concept Drawings and Schematic Drawings will have significant effects not discussed in the FEIRs; (ii) significant environmental effects will be substantially more severe; (iii) mitigation measures or alternatives found not feasible which would reduce one or more significant effects have become feasible; or (iv) mitigation measures or alternatives which are considerably different from those in the FEIRs would substantially reduce one or more significant effect on the environment; and be it further

RESOLVED, That the design for the Park incorporated in the Basic Concept and Schematic Drawings reviewed by the Port are consistent with the Port's design criteria for the Park as set forth in the Agreement to Lease and Scope of Development; and be it further

RESOLVED, That the Basic Concept Drawings and Schematic Drawings for the Park are approved by the Port Commission and shall constitute its vote in approval thereof pursuant to Section 7a of the Agreement to Lease subject to the conditions listed in Attachment B hereto "Rincon Park Schematic Design Port Conditions of Approval", and together with such refinements and modifications as the Executive Director may approve, and which do not materially alter the Basic Concept and Schematic Drawings approved by the Port Commission, and be it further

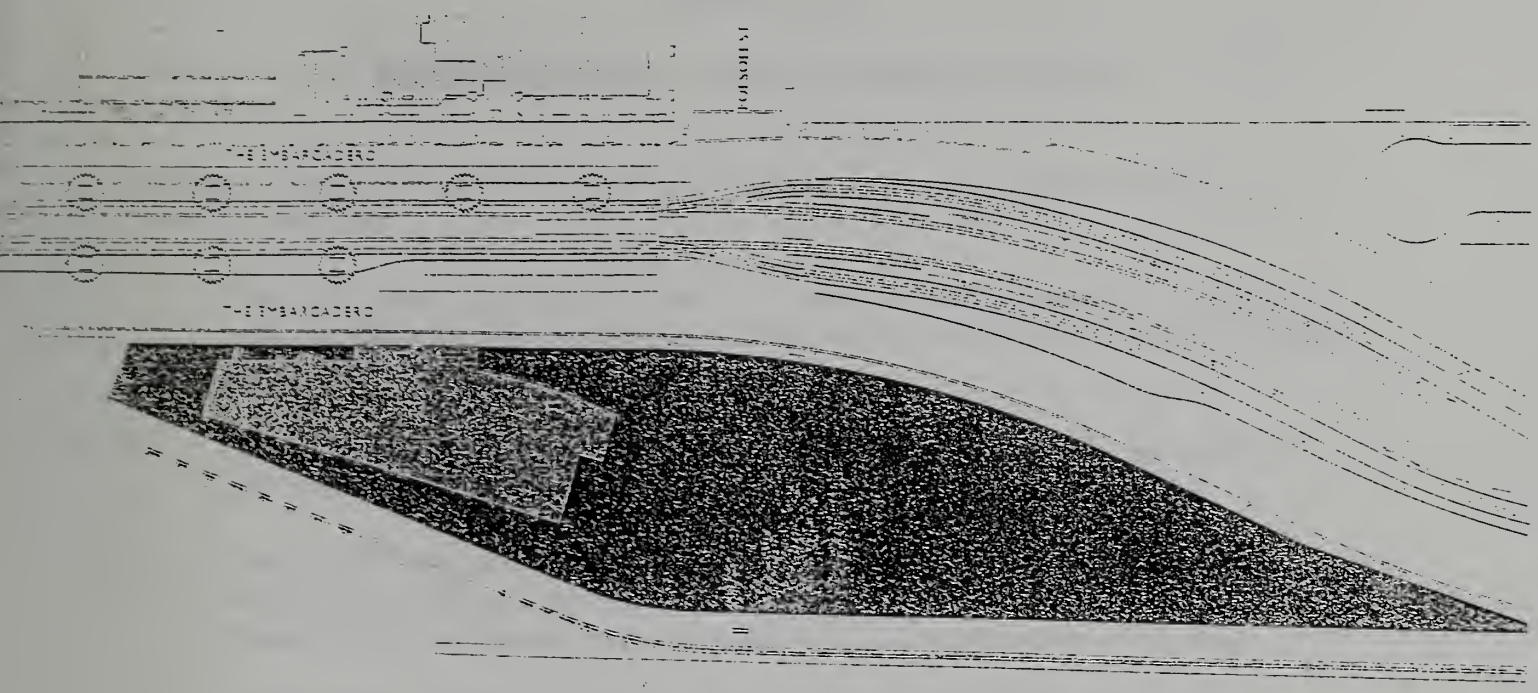
RESOLVED, That the Executive Director is authorized to execute the agreements described in paragraph (3) of Attachment B hereto "Rincon Park Schematic Design Port Conditions of Approval"; and be it further

RESOLVED, That the Port Commission hereby delegates to the Executive Director the authority to: (1) review and approve or disapprove the Preliminary Construction Documents and Final Construction Documents consistent with the conditions listed in Attachment B and pursuant to the requirements that would otherwise apply to the Port Commission's vote as a member of the Design Review Body as described in Section 7a of the Agreement to Lease; and (2) execute on behalf of the Port an Agreement referenced in Condition #3 of Attachment B and any agreement, if necessary associated with Condition #2 of Attachment B.

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission and Redevelopment Agency at its meeting of February 29, 2000.

_____

Secretary



Rincon Park Area

Restaurant Site Area

PARK & RESTAURANT SITE AREA PLAN

RINCON PARK

ATTACHMENT A

Attachment B

Rincon Park Schematic Design Conditions of Approval

The Port Commission's approval of the Schematic Design for Rincon Park is subject to following conditions:

1) Final agreement between the Port and J.C. Decaux regarding placement of the public restroom adjacent to the southern edge of the Park, and the related required advertising kiosks.

2) A funding plan acceptable to the Port and Agency to cover all costs associated with installation of the J.C. Decaux toilet for the Park.

3) Execution of an Agreement between the Agency and the Port for the Agency's provision of security and landscaping maintenance for the area immediately surrounding the J.C. Decaux public restroom, to be located adjacent to the southern edge of the Park.

4) Execution of a letter by The Gap, acceptable to the Agency, detailing The Gap's maintenance and repair obligations for the Claes Oldenburg and Coosje van Bruggen "Cupid's Span" sculpture to be erected in the Park.

5) Together with submission of preliminary construction drawings, submission of detailed planting plans and plant palettes, including proposed specific plant species, types and sizes, acceptable to the Agency and Port.

6) Together with submission of preliminary construction drawings, submission of design details for park lighting, seat walls, benches, trash receptacles, bicycle racks, any additional site furnishings, acceptable to the Agency and Port. Seat wall and seating step details shall include design and fabrication features adequate, as determined by the Executive Directors of the Agency and the Port, to discourage misuse or vandalism by skateboarders.

7) Together with submission of preliminary construction drawings, submission of a plan acceptable to the Agency and Port, for integrating into the design, relocating, or replacing the lighting along Herb Caen Way within the Park, which plan will include repairs as necessary to existing improvements.

PORT OF SAN FRANCISCO

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San Francisco, CA 94111
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MEMORANDUM

February 29, 2000

TO:	Port Commission Hon. Kimberly Brandon, President Hon. Brian McWilliams, Vice President Hon. Denise McCarthy Hon. Michael Hardeman Hon. Pius Lee	Agency Commission Hon. Mark Dunlop, President Hon. Leroy King Hon. Ramon Romero Hon. Darshan Singh Hon. Lynette Sweet Hon. Benny Y. Yee
FROM:	Douglas F. Wong Executive Director, Port	James B. Morales Executive Director Redevelopment Agency

SUBJECT: Informational Presentation of the Mission Creek Park Open Space Concept Design

Catellus representatives will present the Mission Creek Park Open Space Concept Design in a Joint Meeting with the Port Commission and the Redevelopment Agency. The Port has the right to review and approve the design for public open space on land owned by the Port within its jurisdiction. This item will be heard by the Port Commission on March 14, 2000 for a vote.

The Mission Bay Redevelopment Plan calls for construction of various public open space facilities. The 15.6 acre Mission Creek Park will be the first open space to be constructed in Mission Bay. Portions of the future Mission Creek Park (approximately 3 acres along the southerly shoreline and .2 acres along the northerly shoreline) are within Port jurisdiction.

The Redevelopment Agency and Catellus Corporation, the Mission Bay developer, have conducted a series of public workshops and Mission Bay Citizens Advisory Committee meetings between September 1999 and January 2000 to develop the character and design of Mission Creek Park. These efforts concluded in the publication and submittal of the Mission Creek Park Open Space Application (the "Application").

Attachment A-1 identifies the Mission Bay design review standards for Mission Creek Park. Attachment A is an overview of the proposed Mission Creek Park concept design. Note the replacement of existing Channel Street with the future Owens Street. Attachment B depicts the existing conditions, the location of existing Channel Street and the Port jurisdiction line. Attachment C identifies the proposed habitat and shoreline enhancement options that will be incorporated into the park development.

THIS PRINT COVERS CALENDAR ITEM NO. 2B

Port staff believes the proposed Mission Creek Park public open space and shoreline enhancement on land under Port jurisdiction are well designed. Although, there are two important issues that must be addressed in the context of the park development.

Future Parking Area for Mission Creek Harbor Association (MCHA)

Members of the MCHA currently lease their houseboat berths and parking spaces from the Port under a long term lease (L-11451) that has 19 years remaining. The replacement of Channel Street with Owens Street will result in moving the parking spaces away from the shoreline edge and out of Port jurisdiction. No specific agreements have been made between the Port, Redevelopment Agency, Catellus and MCHA addressing the future lease boundaries, lease terms, maintenance or compensation for the new parking area.

The Port Commission should ensure that the Port's approval of this Concept Design be conditioned upon a satisfactory resolution of the lease issues at no expense to the Port and without resulting in a material loss of revenue.

Loading/Unloading Zone for Carmen's Restaurant

The Mission Creek Park Open Space Concept Design does not provide for off-street parking or a loading/unloading zone for Carmen's Restaurant, a Port tenant located just south of the Fourth Street Bridge (see Attachment A). The Mission Bay Redevelopment Plan limits uses in the open space to recreational uses along with "accessory parking, kiosk and pushcarts" that serve the open space. This would not include dedicated parking or a loading/unloading zone for Carmen's. The Infrastructure Plan for the Mission Bay Redevelopment Area does not provide sufficient detail to determine whether on-street parking or a loading/unloading zone can be provided within the Fourth Street right-of-way, just south of the bridge.

A restaurant business is severely hampered if a near-by loading/unloading zone is not available for deliveries, taxi drop-offs and/or valet parking. Although the Port may not require a dedicated loading/unloading zone for Carmen's within the park, the current park design will effectively terminate restaurant use at Carmen's unless alternative arrangements are made.

The Port Commission should ensure that the Port's approval of this Concept Design be conditioned upon provision of an alternative loading/unloading zone just south of the Fourth Street Bridge to serve this Port building. Port staff believes Catellus and the Redevelopment Agency can accomplish this by either of the following options:

1. An on-street loading/unloading zone may be able to be accommodated within the Fourth Street right-of-way by narrowing the west-side sidewalk south of the Fourth Street Bridge or by locating this sidewalk entirely outside of the right-of-way and within the park boundary.

2. A non-exclusive loading/unloading zone may be incorporated into the park boundary and along Fourth Street for park users and Carmen's.

Prepared by: Paul Osmundson, Director of Planning and Development

Public Open Space

Horticulture:

Existing soil and drainage conditions in Mission Bay are a result of the site's evolution from a bay marsh land to its present form over a period of more than fifty years and may affect successful development of proposed plant material. It is important that each parcel, as it is developed, be carefully evaluated for soil fertility and subsurface drainage quality and that the program of soil preparation, drainage and plant selection be adapted to these specific environmental conditions.

Mission Creek Park - South Channel:

Develop the south side of the Channel (P1, P2, & P3), consistent with regulatory requirements, as a primarily green space with pedestrian pathways, children's play area, gardens, and water-oriented viewing and seating areas.

- Provide planting along Channel edge to elevation of mean low tide with vegetation compatible with each tidal zone.
- Provide reinforcement as required for bank stability and to prevent erosion, using natural materials and including vegetation where feasible.
- Remove existing concrete rip-rap and replace it with plantings from the top of bank to the water, consistent with stabilization requirements.
- Establish shoreline island and/or perch piling to support intertidal bird activity.
- Integrate design with existing Mission Creek Harbor Association, Inc. (MCHA) Park and required MCHA leasehold access and amenities.
- Continue public park between Fourth and Third Streets along the Channel, and include intertidal habitat where viable, recognizing intensive use from hotel patrons in character of landscape and use of paving materials.
- Incorporate boat storage and parking for Mission Creek Harbor.
- Integrate bike path for recreational uses.
- Develop majority of park as lawn to encourage informal recreation.
- Explore, as feasible, the development of a fresh water pond as a passive recreational opportunity and as a component of wildlife habitat, using storm/reclaimed water.

Public Open Space Continued

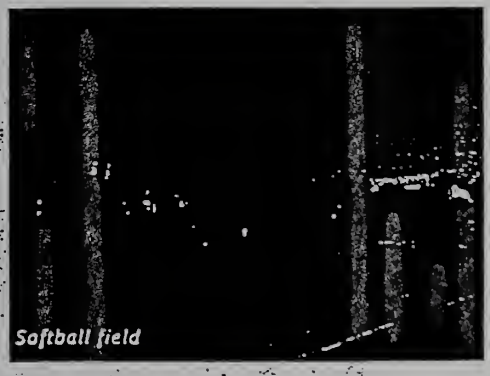
Mission Creek Park - Bank Treatment

- If pilings must be removed, they will be replaced, if permitted by regulatory agencies, in locations acceptable to the Mission Creek Conservancy. Alternative perching opportunities may be provided acceptable to all parties.
- Consider provision of additional piling and/or floats for roosting habitat.
- Develop an appropriate vegetation program for Mission Creek that recognizes the tidal vegetation ranges: low marsh, high marsh, transition zone, and upland vegetation.
- Pickleweed will be retained to the extent possible. If existing pickleweed is disturbed, it will be replaced from existing stock as feasible.
- Maintain and expand gently sloping banks in the intertidal area to encourage foraging shore birds.
- Design storm water outfalls to minimize scouring and erosion of mudflats.

Owens Field:

Develop Owens Field (P7, P8, P9) to accommodate a variety of zones for active recreation such as a softball field, and in areas under the freeway, compatible recreation such as skateboarding, rollerblading and basketball.

Skateboard Park


Softball field

Triangle Square:

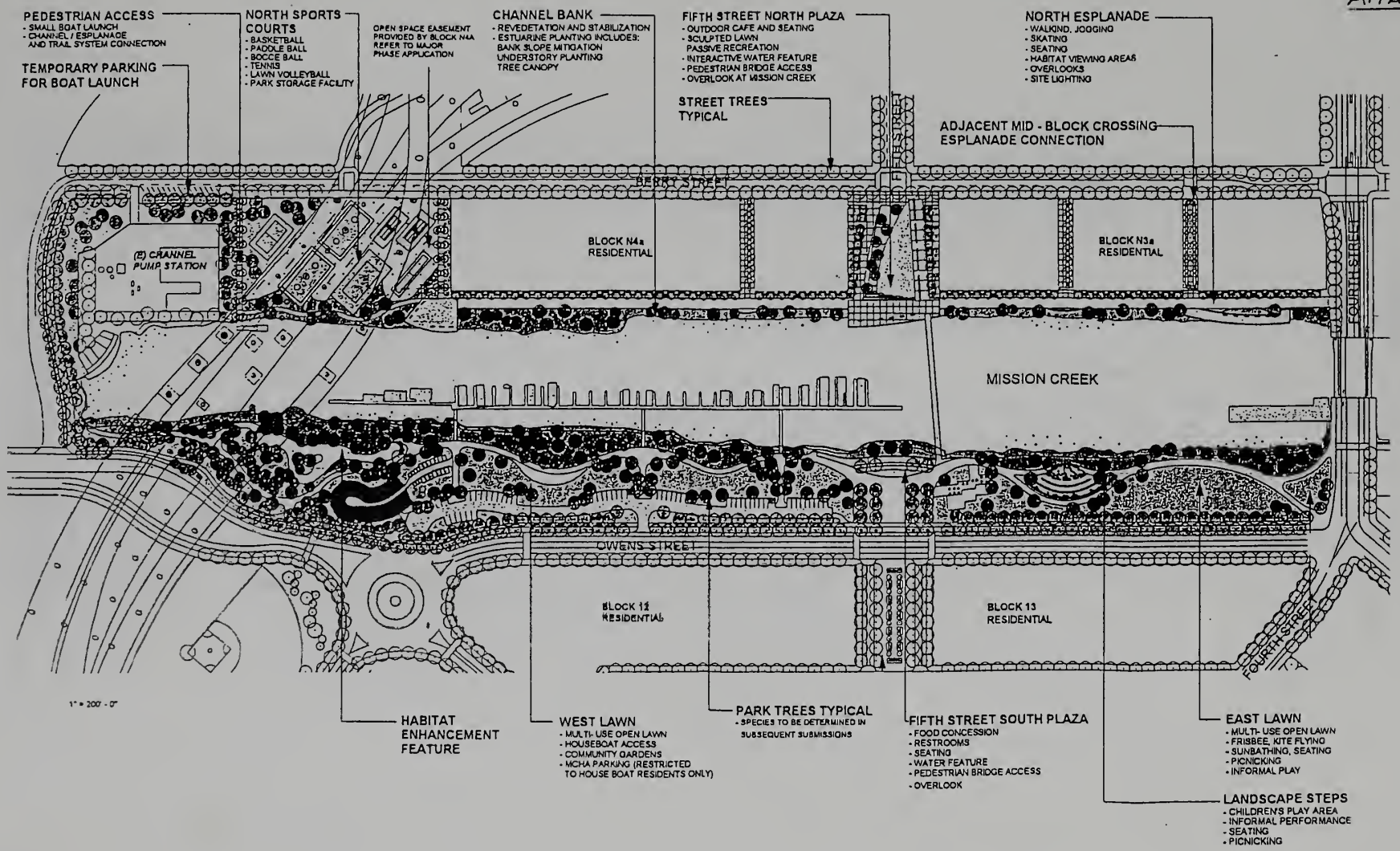
Develop the Triangle Square (P6) as a symbolic center for the community (similar to Sidney Walton Park where a central green space accommodates flexibility in programming and use), including uses for children and families and that invite daily and active use.

- Include features that symbolically establish a link to Mission Creek.

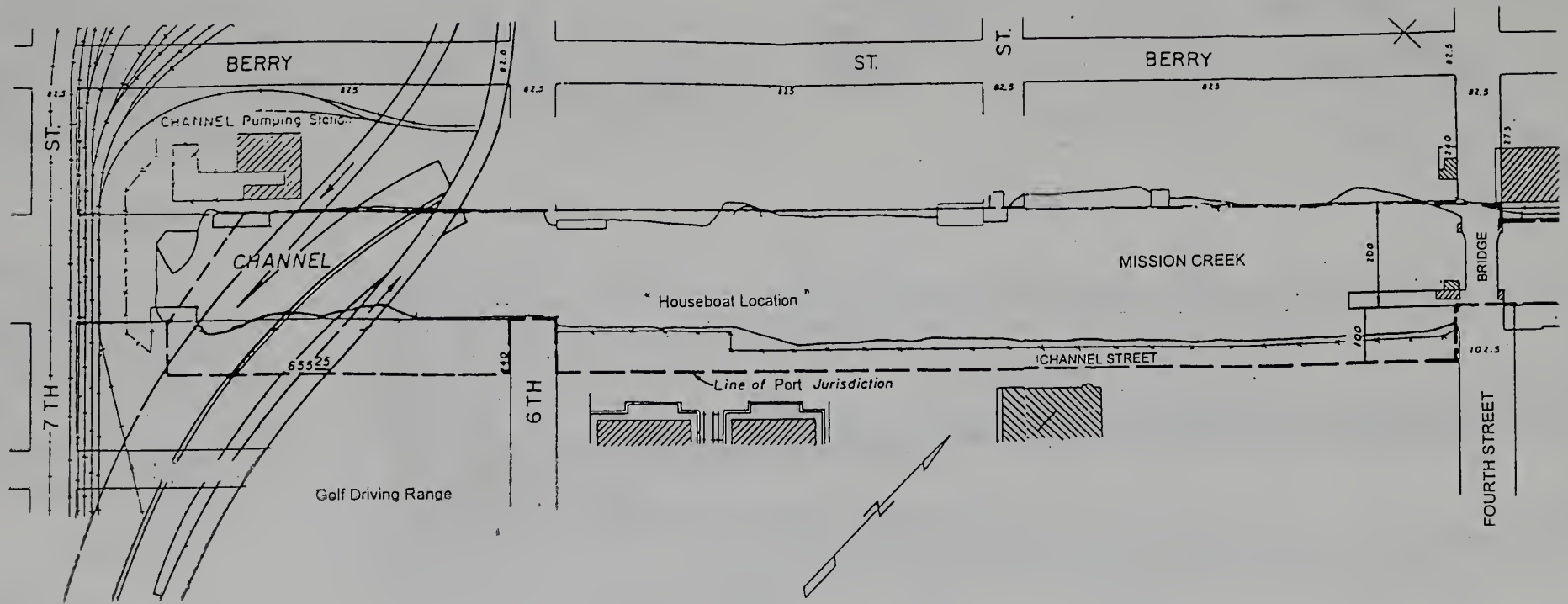
Playground

Neighborhood Park

ATTACHMENT A



ATTACHMENT B



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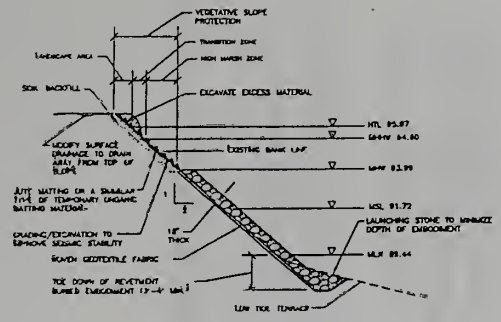
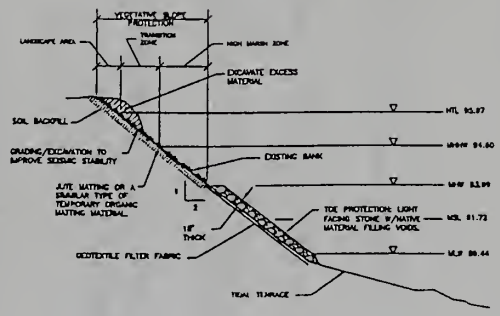


SECTION 1



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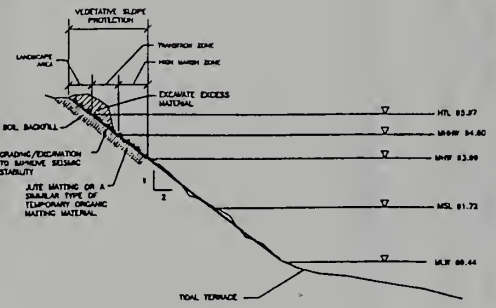

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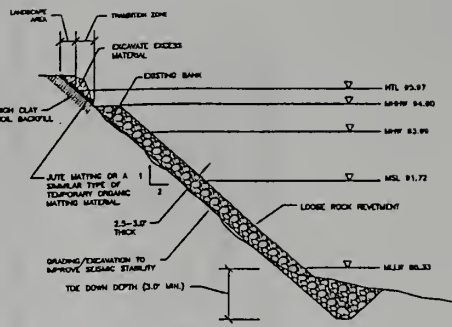

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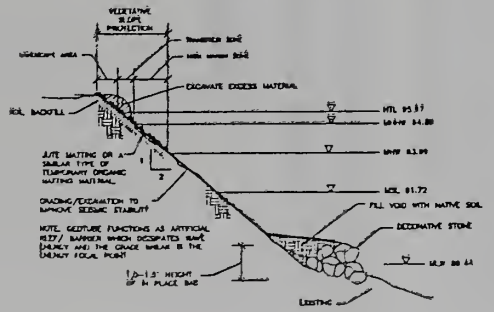
VEGETATIVE SLOPE PROTECTION
TRANSITION ZONE
HIGH MARSH ZONE
EXCAVATE EXCESS MATERIAL
SOIL BACKFILL
JUTE MATTING OR A SIMILAR TYPE OF TEMPORARY ORGANIC MATTING MATERIAL
GRADING/EXCAVATION TO IMPROVE SEISMIC STABILITY
FILL VOID WITH NATIVE SOIL
DECORATIVE STONE
NOTE: GEOTUBE FUNCTIONS AS ARTIFICIAL REEF/ BARRIER WHICH DISSIPATES WAVE ENERGY AND THE GRADE BREAK IS THE ENERGY FOCAL POINT
1.0-1.5' HEIGHT OF IN PLACE BAG
EXISTING
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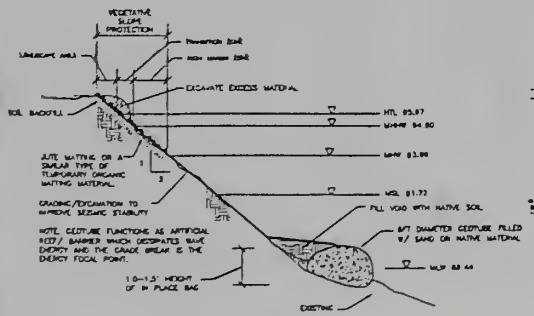
MHHW 84.80
MHW 83.99
MSL 81.72
MLW 80.44

SECTION 2a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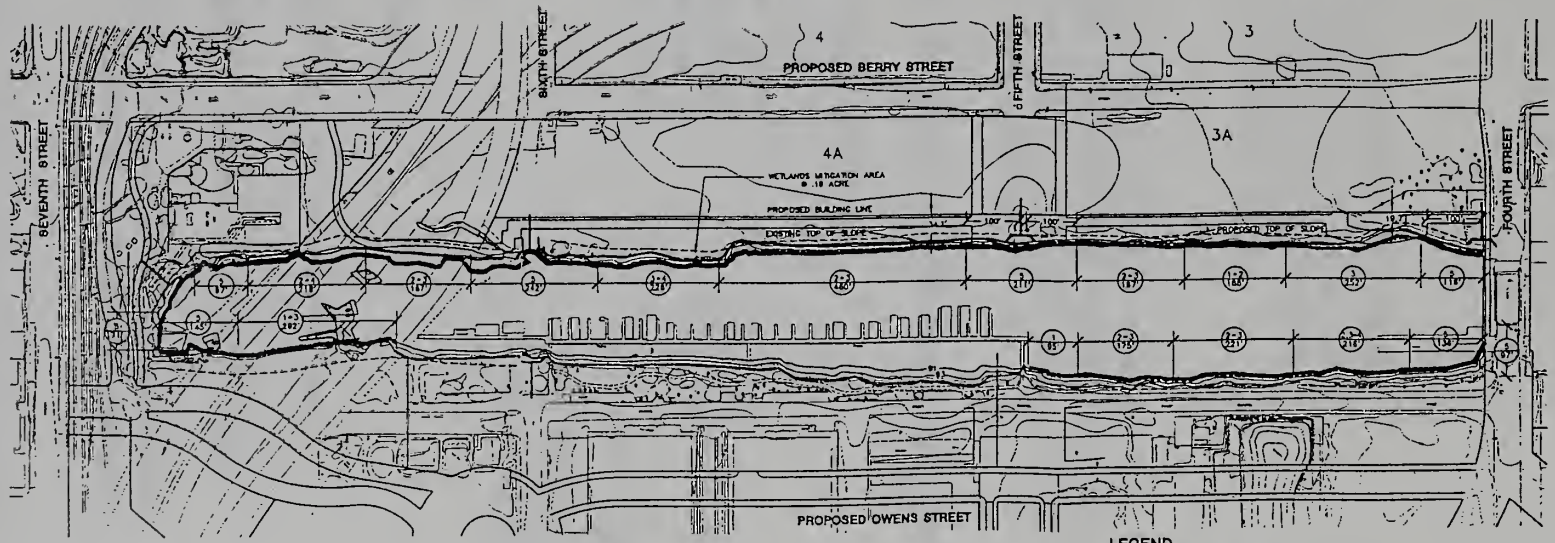
SECTION 2b

NOTE: VEGETATIVE SLOPE PROTECTION NOT PART OF MITIGATION CRITERIA ESTABLISHED BY CORPS OF ENGINEERS, FOR MITIGATION SITE TREATMENT REFER TO EXHIBIT A



Channel Bank Treatments

MINUTES OF A REGULAR MEETING OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE 29TH DAY OF FEBRUARY 2000

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place in the City of San Francisco, California, at 4:00 p.m. on the 29th day of February, 2000, the place and date duly established for holding of such a meeting.

The President called the meeting to order and on roll call the following answered present:

Mark Dunlop, President
Leroy King
Ramon Romero
Darshan Singh
Lynette Sweet
Benny Y. Yee

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and the following was absent:

None

The President declared that a quorum was present.

James B. Morales, Executive Director, and staff members were also present.

JOINT MEETING WITH THE PORT OF SAN FRANCISCO AND PUBLIC

(a)(1) Resolution No. 31-2000, approving the Basic Concept and Schematic Drawings for Rincon Park; Rincon Point South Beach Redevelopment Project Area.

ADOPTION: IT WAS MOVED BY MR. YEE, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED THAT ITEM **(a)(1)**, RESOLUTION NO. 31-2000 BE ADOPTED.

(a)(2) Workshop on the Basic Concept Design for Mission Creek Park; Mission Bay North and South Redevelopment Project Areas.

ADJOURNMENT OF JOINT PUBLIC MEETING